

30-hour week bill and favoring an amended bill for 36 hours a week; to the Committee on Labor.

470. Also, petition of the Jacobs Bros. Co., Inc., manufacturers of scales and store equipment, Brooklyn, N.Y., opposing the Black 6-hour day 5-day week bill; to the Committee on Labor.

471. Also, petition of International Photo-Engravers' Union of North America, New York City, approving the Black-Connelly bill, but amended so as to include newspapers and periodicals and products of foreign manufacture in their provisions; to the Committee on Labor.

472. Also, petition of Atlantic Terra Cotta Co., New York City, favoring President Roosevelt's public-works program; to the Committee on Labor.

473. Also, petition of Towns & James, Inc., wholesale druggists, Brooklyn, N.Y., opposing House bill 4557; to the Committee on Labor.

474. Also, petition of National Association of American Worker's Association, North Tonawanda, N.Y., favoring the passage of the Black bill; to the Committee on Labor.

475. Also, petition of William F. Hagens, of Brooklyn, N.Y., favoring the 6-hour day 5-day week bill, if amended to include workers in the newspaper and periodical trades; to the Committee on Labor.

476. By Mr. MOTT: Petition of the Legislature of the State of Oregon, urging Congress to make immediate and adequate provision for the improvement of the Columbia-Snake River waterways for navigation; to the Committee on Rivers and Harbors.

477. By Mr. O'CONNOR: Resolution of the Legislature of the State of New York, memorializing Congress to forbid, by appropriate laws, the sale in this country of the universal American flag and/or all special United States of America flags and/or the flags of the various States, dependencies, or Territories manufactured abroad; to the Committee on Labor.

478. Also, resolution of the Legislature of the State of New York, memorializing the Congress to enact legislation directing the Postmaster General to issue special series of stamps in commemoration of the one hundred and fiftieth anniversary of the naturalization as an American citizen and appointment of Thaddeus Kosciuszko as brevet brigadier general of the Continental Army on October 13, 1783; to the Committee on the Post Office and Post Roads.

479. By Mr. PARKS: Petition protesting against the Black bill; to the Committee on Labor.

480. By Mr. REID of Illinois: Petition of Board of Supervisors of Du Page County, Ill., certified by county clerk, endorsing and urging the passage of the 6-hour 5-day week bill; to the Committee on Labor.

481. By Mr. RUDD: Petition of International Photo-Engravers' Union of North America, New York City, favoring the Black-Connelly bills, S. 158 and H.R. 4557, but amended so as to include newspapers and periodicals and the products of foreign manufacture in their provisions; to the Committee on Labor.

482. Also, petition of Atlantic Terra Cotta Co., New York City, favoring the President's public-works program; to the Committee on Labor.

483. Also, petition of Great Lakes Dredge & Dock Co., New York City, favoring the passage of House bill 3348; to the Committee on Merchant Marine, Radio, and Fisheries.

484. By Mr. WATSON: Resolutions adopted by the American Legion, Department of Pennsylvania, requesting the Federal Government to insert in all contracts for Government work certain requirements; to the Committee on Public Buildings and Grounds.

485. By Mr. WELCH: Senate Joint Resolution No. 11 of California State Legislature, proposing issuance of postage stamps in honor of the California citrus industry; to the Committee on the Post Office and Post Roads.

486. By Mr. WITHROW: Memorial of the Legislature of the State of Wisconsin, memorializing Congress to promptly enact the administration farm relief bill; to the Committee on Agriculture.

487. Also, memorial of the Legislature of the State of Wisconsin, memorializing the Congress of the United States to provide machinery for the loaning of money to needy financial institutions; to the Committee on Banking and Currency.

488. Also, memorial of the Legislature of the State of Wisconsin, relating to reforestation in Wisconsin and other Lake States, as a part of the President's emergency program for providing employment; to the Committee on Labor.

489. By the SPEAKER: Petition of Eduarda K. Baltuff (Harris), favoring a congressional investigation of the Zev conspiracy; to the Committee on the Judiciary.

SENATE

WEDNESDAY, APRIL 12, 1933

(Legislative day of Tuesday, Apr. 11, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. HARRISON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Kendrick	Reynolds
Ashurst	Costigan	Keyes	Robinson, Ark.
Austin	Couzens	La Follette	Robinson, Ind.
Bachman	Cutting	Lewis	Russell
Bailey	Dickinson	Logan	Schall
Bankhead	Dieterich	Loneragan	Sheppard
Barbour	Dill	Long	Shipstead
Barkley	Duffy	McAdoo	Smith
Black	Erickson	McCarran	Stelwer
Bone	Fess	McGill	Stephens
Borah	Fletcher	McKellar	Thomas, Okla.
Bratton	Frazier	McNary	Thomas, Utah
Brown	George	Metcalf	Townsend
Bulkley	Glass	Murphy	Trammell
Bulow	Goldsborough	Neely	Tydings
Byrd	Gore	Norbeck	Vandenberg
Byrnes	Hale	Norris	Van Nuys
Capper	Harrison	Nye	Wagner
Caraway	Hastings	Overton	Walcott
Carey	Hatfield	Patterson	Walsh
Clark	Hayden	Pittman	Wheeler
Connally	Johnson	Pope	White
Coolidge	Kean	Reed	

Mr. THOMAS of Utah. My colleague the senior Senator from Utah [Mr. KING] is not with us this morning because of a great sadness which has come into his life. I wish this announcement to stand for the day.

Mr. REED. I desire to announce that my colleague [Mr. DAVIS] is necessarily absent on account of illness.

Mr. FESS. I wish to announce that the Senator from Rhode Island [Mr. HEBERT] and the Senator from Vermont [Mr. DALE] are necessarily detained from the Senate.

The VICE PRESIDENT. Ninety-one Senators having answered to their names, a quorum is present.

REPORT OF THE NEAR EAST RELIEF

The VICE PRESIDENT laid before the Senate a letter from the executive secretary of the Near East Relief, submitting, pursuant to law, the report of the Near East Relief for the year ended December 31, 1932, which, with the accompanying report, was referred to the Committee on Printing.

FUNCTIONS OF THE OFFICE OF PUBLIC BUILDINGS AND PARKS AND ALLIED COMMISSIONS (S.DOC. NO. 22)

The VICE PRESIDENT laid before the Senate a letter from the Director of Public Buildings and Public Parks of the National Capital, reporting, pursuant to Senate Resolution 351, Seventy-second Congress, relative to the various functions, personnel, etc., of the Office of Public Buildings and Public Parks of the National Capital, the Public Buildings Commission, the Arlington Memorial Bridge Commission, and the National Capital Park and Planning Commission, which, with the accompanying papers, was ordered to lie on the table and to be printed.

PETITIONS AND MEMORIALS

Mr. KEAN presented a resolution adopted by the Most Worshipful Oriental Grand Lodge of Ancient Free and

Accepted Masons in the State of New Jersey, favoring the passage of legislation making provision for the moral as well as the physical care of massed workers engaged in the governmental reforestation program, which was referred to the Committee on Education and Labor.

Mr. TYDINGS presented the petition of the Congress of Parents and Teachers, the Home and School Association, and the Education Association, all of the District of Columbia, praying for the restoration in the District of Columbia appropriation bill of items affecting services rendered by the public schools, libraries, and playgrounds so as to maintain educational and recreational facilities in the District of Columbia, which was referred to the Committee on Appropriations.

He also presented the petition of members of the Middletown Lions Club, of Middletown, Md., praying for the prompt passage of the bill (H.R. 3835) to relieve the existing national economic emergency by increasing agricultural purchasing power, which was ordered to lie on the table.

TARIFF ON IMPORTED FISH

Mr. WALSH. Mr. President, I present and ask that there be printed in the CONGRESSIONAL RECORD the body of a petition I have just received from fishermen of Dukes County, Mass., urging the enactment of a suitable and adequate tariff on imported fish.

There being no objection, the petition was referred to the Committee on Finance, and the body thereof was ordered to be printed in the RECORD without the attached signatures, as follows:

To the Honorable Senator DAVID I. WALSH:

The undersigned commercial fishermen of Dukes County respectfully petition for relief of the industry by the enactment of a suitable and adequate tariff on imported fish.

Imports of Canadian lobster and swordfish affect this locality in particular, the prevailing low prices paid for these commodities serving to reduce the income of domestic fishermen to a ruinous degree. For at least 2 years the Massachusetts fisheries, including those of Dukes County, have been losing ground in the fight against this manifestly unfair competition. Bankrupt fishermen, idle vessels, and failing local markets are the result. Another year like the last means even greater and more permanent ruin to this important industry.

Therefore, we request that as our Senator you act vigorously in the defense of the interests of your State and ours. That all proposed legislation relative to raising the tariff on imported fish receive your support. And that a sufficiently high tariff be insisted upon to equalize the prices of domestic and imported fish and seafoods.

It is our contention that the opening of Canadian ports to United States fishing vessels will not in any degree compensate New England fishermen for the losses involved in the marketing of their fish under present conditions, and we beg that you will not allow any consideration of this gesture by Canada to influence your attitude on the tariff question.

We are vessel and boat owners. Our communities depend upon the earnings of these crafts. We have elected you to office, confident that our interests would be entrusted to reliable hands. Do not betray that confidence.

PETITION OF WOMAN'S NATIONAL COMMITTEE FOR LAW ENFORCEMENT

Mr. ROBINSON of Indiana. Mr. President, I present a petition for redress of grievances presented by the Woman's National Committee for Law Enforcement, through Mrs. Henry W. Peabody, chairman, which I ask may be printed in the RECORD and appropriately referred.

There being no objection, the petition was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

PETITION TO GOVERNMENT FOR REDRESS OF GRIEVANCES

The first amendment to the Constitution provides for religious freedom, free speech, a free press, and "the right of the people peaceably to assemble and petition the Government for redress of grievance."

Article VI of the Constitution declares "this Constitution and the laws of the United States which shall be made in pursuance thereof . . . shall be the supreme law of the land and the judges in every State shall be bound thereby, anything in the Constitution or laws of the State to the contrary notwithstanding."

1. The eighteenth amendment to the Constitution prohibits "the manufacture, sale, and transportation of intoxicating liquor for beverage purposes. The action of the Seventy-third Congress in passing a beer bill authorizing manufacture, sale, and transportation of intoxicating liquor is, therefore, illegal under the eighteenth amendment to the Constitution.

2. No State has power to act against the supreme law according to article VI of the Constitution which declares "judges in every State shall be bound thereby." Any State allowing this beer bill to become law is in defiance of the Constitution of the United States.

3. Every Member of Congress and official of this Government is solemnly sworn to support and defend the Constitution "without mental reservation or purpose of evasion", which pledge was broken by those who voted for the unconstitutional bill.

4. Intoxicating liquor is defined as a "habit-making narcotic drug." One half of 1 percent was the standard adopted by Congress in 1920, since it was the standard of brewers in the contest over soft drinks. The British legal standard for alcoholic content is 1 percent (2 percent proof spirits). Any beverage containing more than 1 percent alcohol is declared intoxicating.

Two and seventy-five one-hundredths percent beer, on which tests have been made by the highest scientific authorities in America, is declared intoxicating by Dr. Haven Emerson, college physician and surgeon, Columbia University, New York; Prof. Walter Miles, of Yale University (test made with students of 18 years of age); Prof. E. D. McCollum, of Johns Hopkins; Dr. Benedict, of Carnegie Institute; Dr. Howard A. Kelly, Johns Hopkins; and others. Three and two-tenths percent beer, 4 percent by volume, is intoxicating, as it was the content of alcohol in beer sold and taxed before prohibition under license as intoxicating liquor.

5. "Who are the people?" Two thirds of the people of the United States are women and children who suffer most from this evil, and are disregarded and unrepresented by Congress. Alcohol leads to vice, crime, and disease. Beer takes from childhood food, clothing, fuel, and necessities of life. This Government has no right to barter the welfare of the people for revenue. (Decision Supreme Court on Louisiana lottery.)

6. The bill offers no protection against saloons, which both party platforms pledged should not return; no provision against advertising an illegal product by press and radio; no law against locating saloons in close proximity to schools, churches, or homes or advertising in school cafeterias; no limit to the hours or days on which this liquor may be sold—Sundays are included.

7. The lack of coordination shown by scientific tests indicates grave danger on the highway through driving by men and women who have used 3.2-percent beer. Driving under the influence of liquor leads to murder and death. Have we no right to protection? Is not this Government liable for these murders?

If railroads, steamships, the Navy, and transportation agencies prohibit this beer as intoxicating in the interest of safety, we demand that this Government also provide such safeguards for communities and highways.

IN VIEW OF THESE GRIEVANCES

We call upon the people of the United States to demand that Congress revoke this illegal bill passed in collusion with brewers, organized agents, and capitalists opposed to the eighteenth amendment without regard to the safety and welfare of women and children in whose interest we, the Woman's National Committee for Law Enforcement, are entitled to speak. To secure protection of our rights and safety under the Constitution we present this petition to the President of the United States and both Houses of Congress, as we are authorized to do by the Constitution, and beg their attention and immediate action.

In memory of Washington and Jefferson, who wrote the Constitution, and Lincoln, who preserved it, we come to this memorial on this anniversary of the passing of the great President at the hands of an assassin who fortified himself with liquor at the old Tenth Street saloon before committing the crime. On this 14th day of April 1933 we pledge again our allegiance to the Constitution and the Union. It is the day of betrayal of our Lord through a referendum and the martyrdom of the man who saved the Union. Here in the presence of Almighty God we challenge the right of this Government to sanction the betrayal of the Nation by the return of the manufacture, sale, and transportation of "intoxicating liquor" forbidden by the Constitution.

WOMAN'S NATIONAL COMMITTEE FOR LAW ENFORCEMENT
(Representing 10 great national organizations of women affected by this illegal bill).

FRIDAY, APRIL 14, 1933.

THE WORLD COURT

Mr. BARBOUR. Mr. President, I ask unanimous consent for the printing in the RECORD of a resolution I have received from the Kiwanis Club of Irvington, N.J., urging the ratification of the World Court protocols, and that it may be appropriately referred.

There being no objection, the resolution was ordered referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

Resolution of the Irvington Kiwanis Club

Whereas since the First and Second Hague Conferences of 1899 and 1907 the United States has taken a leading part among the nations of the world in advocating the settlement of international disputes by judicial procedure; and

Whereas there came into existence in 1922 a World Court, established along the very lines advocated by American delegates in the two Hague Conferences; and

Whereas this Court has, in the 11 years of its existence, proved its practical value as an institution for peacefully settling inter-

national disputes by its successful settlement of 44 such disputes, many of which, had they been left unsettled, might have proved the cause of war; and

Whereas the United States Senate, by a vote of 76 to 17, in January 1928, declared that the United States should join the World Court if five conditions were met; and

Whereas in the view of the Department of State, the American Bar Association, and many other competent authorities these conditions are entirely met in the three World Court treaties now awaiting the Senate's action; and

Whereas these treaties have already been signed by the United States; and

Whereas in a world still suffering sharply from the tragic economic dislocations due primarily to the late war the clear endorsement by one of the greatest powers of the world of judicial settlement as one practicable substitute for war cannot fail to have a stabilizing effect; and

Whereas it seems to us a contradiction of sound legislative policy to allow a matter of such vital importance to remain unsettled for six years: Now, therefore, be it

Resolved by the Irvington Kiwanis Club, That we do hereby declare our belief that the United States should speedily complete its adherence to the World Court by the Senate's ratification, at the earliest practicable moment in the special session, of the three World Court treaties now on the Senate's Executive Calendar; and be it further

Resolved, That a copy of this resolution be sent both the New Jersey Senators, with a request to Senator BARBOUR that he have it printed in the CONGRESSIONAL RECORD.

CHECKING OF EROSION ON NEW JERSEY SHORES

Mr. BARBOUR. Mr. President, also I ask unanimous consent for printing in the RECORD of a resolution I have received from the Board of Chosen Freeholders of Cape May County, N.J., urging that a portion of the unemployment relief funds be spent in checking erosion of the shore line of New Jersey, and ask that it may be appropriately referred.

There being no objection, the resolution was referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

BOARD OF CHOSEN FREEHOLDERS, Cape May County, N.J.

Resolution (by Mr. Miller)

Whereas it is understood that the United States Government is about to spend considerable amounts of money for reforestation and reclamation plans, particularly for the relieving of the unemployment situation; and

Whereas a continual and serious erosion of the shore line of New Jersey has created a condition that threatens the very existence of the seashore resorts, if this erosion is not checked; and

Whereas the conditions have become so serious and the cost of measures needed to check this erosion and protect this shore line is so great that in the present financial conditions the various municipalities are unable to furnish sufficient funds for the prosecution of such work: Therefore be it

Resolved, That the attention of President Roosevelt be called to this condition, and that he be, and hereby is, petitioned to give careful consideration to this condition, and direct the expenditure of a portion of the unemployment relief funds to the purposes above mentioned, and that copies of this resolution be sent to our Congressman and two United States Senators.

STATE OF NEW JERSEY,
County of Cape May, ss:

I, A. J. Caffero, clerk of the Board of Chosen Freeholders of County of Cape May, State of New Jersey, do hereby certify that the foregoing is a correct and true copy of a resolution adopted by the board at a meeting duly held on the 5th day of April 1933.

A. J. CAFFERO,
Clerk of the Board.

INSURANCE CORPORATIONS AND THE LITTLE FELLOW

Mr. WALCOTT presented a newspaper editorial, which was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

INSURANCE CORPORATIONS AND THE LITTLE FELLOW

In commenting on the plan for the refinancing of farm mortgages, Henry Morgenthau, Jr., Governor of the new Farm Credit Administration, said: "The little fellow—the farmer, the village banker, the forgotten man—will be taken care of first, the corporations afterwards." The corporations are the insurance companies, which hold about one third of the farm-mortgage indebtedness.

It is not necessary to quarrel with Mr. Morgenthau over this statement, but it does contain the taint of a superficial sort of public morality which gets a good deal of promotion these days. The insurance companies are heavily charged with the interests of the little fellow and, if we are still to remember him, of the forgotten man. There is probably no more vital interest in the country than the equities represented in these corporations. They contain the provision which men of small or moderate means have made against the future and for the security of their families. They contain the savings of a great mass of the indispensable part

of the citizenship which seeks competence and guaranties in life by its own thrift and hard work.

A destruction of these equities and obligations and rights would be one of the hardest blows which hard times could hit the Nation. When the policyholders in a mass are referred to as a corporation, the intent seems to be, whether it is or not, to put them in a special category as to moral import. No such distinction can possibly be recognized.

It could even be said that these equities are of paramount importance over everything else when it comes to a question of obligation resting upon a custodial government. Both the farmer and the little man who went into debt and the village banker who extended the credit had something to do with the situation in which they find themselves. Their situation may be worthy of such aid as the Government can offer them, but that does not detract from the right of the policyholder to have his investment safeguarded in every way possible. Social philosophy is entirely too much disposed to dismiss the corporation as a thing without wide-spread human elements.

TENNESSEE VALLEY DEVELOPMENT—MUSCLE SHOALS PROJECT

Mr. NORRIS. From the Committee on Agriculture and Forestry I ask unanimous consent to report back favorably with amendments the bill (S. 1272) to improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals, in the State of Alabama; and for other purposes, and to submit a unanimous report (No. 23) thereon.

The VICE PRESIDENT. Without objection, the report will be received and placed on the calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. TYDINGS:

A bill (S. 1291) for the relief of the E. J. Codd Co. of Baltimore City, Inc.; to the Committee on Claims.

A bill (S. 1292) to provide medical services after retirement on annuity to former employees of the United States disabled by injuries sustained in the performance of their duties; to the Committee on the Judiciary.

A bill (S. 1293) authorizing the President to order Maj. E. P. Duval before a retiring board for a hearing of his case, and upon the findings of such board determine whether or not he be placed on the retired list with the rank and pay held by him at the time of his resignation; to the Committee on Military Affairs.

A bill (S. 1294) to provide for separate patents in case of any invention constructed in types or forms suitable for different uses; to the Committee on Patents.

A bill (S. 1295) granting a pension to Howard E. Tolson; to the Committee on Pensions.

By Mr. SMITH:

A bill (S. 1296) for the relief of A. Zappone, disbursing clerk, United States Department of Agriculture; to the Committee on Agriculture and Forestry.

By Mr. DILL:

A bill (S. 1297) authorizing the Secretary of the Navy to make available to the municipality of Aberdeen, Wash., the U.S.S. *Newport*; to the Committee on Naval Affairs.

By Mr. NORBECK:

A bill (S. 1298) for the relief of the Sioux Valley Hospital, Sioux Falls Clinic, and the McKenna Hospital, all of Sioux Falls, S.Dak.; and

A bill (S. 1299) for the relief of Mrs. Glenn J. Collier; to the Committee on Claims.

A bill (S. 1300) to provide for the payment of Sioux benefits to certain women of the Sioux Tribe of Indians; to the Committee on Indian Affairs.

A bill (S. 1301) to prohibit the transportation in the mails, or in interstate commerce, of machine guns or submachine guns; to the Committee on the Judiciary.

A bill (S. 1302) for the relief of Frank Fisher (with accompanying papers); to the Committee on Military Affairs.

A bill (S. 1303) to provide for the acquisition of Chappawmsic Island, Va., for the use of the Navy Department; to the Committee on Naval Affairs.

A bill (S. 1304) granting a pension to Ben. C. Ash (with accompanying papers);

A bill (S. 1305) granting a pension to Charles H. Carpenter (with accompanying papers);

A bill (S. 1306) granting a pension to David Dorian (with accompanying papers);

A bill (S. 1307) granting a pension to Mary J. Driscoll (with accompanying papers);

A bill (S. 1308) granting a pension to Charlie Kills-in-Sight or Kills In;

A bill (S. 1309) granting a pension to Walter L. Vercoe (with accompanying papers);

A bill (S. 1310) granting a pension to Augustine Whitebird (with accompanying papers);

A bill (S. 1311) granting an increase of pension to Mitchell Desersa (with accompanying papers);

A bill (S. 1312) granting an increase of pension to John A. Everett (with accompanying papers); and

A bill (S. 1313) granting an increase of pension to Hugh M. Jones (with accompanying papers); to the Committee on Pensions.

By Mr. NEELY:

A bill (S. 1314) for the relief of Perry Randolph; to the Committee on Military Affairs.

A bill (S. 1315) granting an increase of pension to Mary C. Caplinger; to the Committee on Pensions.

By Mr. GEORGE:

A bill (S. 1316) to provide for the collection and publication of statistics of peanuts by the Department of Agriculture; to the Committee on Agriculture and Forestry.

CHANGE OF REFERENCE

On motion of Mr. BARBOUR, the Committee on the District of Columbia was discharged from the further consideration of the bill (S. 1066) relating to contracts for the erection or alteration of public buildings, and it was referred to the Committee on Public Buildings and Grounds.

BENEFITS TO THE WHALING INDUSTRY—AMENDMENT

Mr. McNARY submitted an amendment intended to be proposed by him to the joint resolution (S.J.Res. 15) extending to the whaling industry certain benefits granted under section 11 of the Merchant Marine Act, 1920, which was ordered to lie on the table and to be printed.

RELIEF OF AGRICULTURE—AMENDMENTS

Mr. BARBOUR, Mr. FRAZIER, Mr. MCGILL, and Mr. THOMAS of Oklahoma each submitted an amendment, Mr. ROBINSON of Arkansas submitted 2 amendments, and Mr. CLARK submitted 5 amendments, intended to be proposed by them, respectively, to the bill (H.R. 3835) to relieve the existing national economic emergency by increasing agricultural purchasing power, which were severally ordered to lie on the table and to be printed.

Mr. SHIPSTEAD submitted four amendments intended to be proposed by him to the amendment intended to be proposed by Mr. WAGNER to title II, Agricultural Credits, of House bill 3835, the agricultural relief bill, which were ordered to lie on the table and to be printed.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States, submitting several nominations, were communicated to the Senate by Mr. Latta, one of his secretaries.

RELIEF OF AGRICULTURE—NOTICE OF RECONSIDERATION OF AN AMENDMENT

Mr. COPELAND. Mr. President, yesterday the Senate, without any consideration, agreed to the amendment on page 22 of the so-called "agricultural relief bill". I was not on the floor at the time. I have had a sheaf of telegrams relating to it, and I desire to have it recorded that I shall move, at a later time, to reconsider the vote whereby the amendment, on page 22, from lines 14 to 19, inclusive, was agreed to.

The VICE PRESIDENT. The notice of the Senator from New York will be entered.

FEDERAL ACCOUNTING, PURCHASING, AND DISBURSING SYSTEMS

Mr. WHEELER. Mr. President, I desire to make a unanimous-consent request with reference to two resolutions which I submitted, and which were adopted during the last session of the Congress. I think the request will lead to no debate.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Montana is recognized.

Mr. WHEELER. Mr. President, late in the closing session of the last Congress, on February 8, 1933, there was adopted by the Senate, at my suggestion and with a view to securing facts necessary to an intelligent and safe reorganization of certain activities, Senate Resolution No. 350, requesting the Comptroller General to report to the Senate on or before April 15, 1933, the savings that might be secured through reorganization, centralization, consolidation, and/or elimination of accounting records, accounting and audit procedures, disbursing and collecting offices, and purchasing and warehousing activities of the Governments of the United States and the District of Columbia.

On the same day the Senate adopted, at my suggestion, Senate Resolution No. 351, calling upon the heads of all departments, independent establishments, and Government-owned and/or controlled corporations to submit to the President and to the Senate on or before April 15, 1933, a detailed report of all functions, including accounting, disbursing, collecting, purchasing, and personnel performed by said department, establishment, and corporations, together with the authority for the performance of each function and the annual cost thereof.

It now appearing that much of the information to be furnished by the heads of departments, establishments, and corporations pursuant to Senate Resolution No. 351 should be taken into consideration by the Comptroller General in reporting to the Senate pursuant to its Resolution No. 350 in order that this may be made possible, I ask the consent of the Senate that the date for reporting under Senate Resolution No. 350 be extended to May 6, 1933.

The VICE PRESIDENT. Is there objection?

Mr. McNARY. Mr. President, I did not understand the nature of the request.

Mr. WHEELER. I have asked unanimous consent that the time for the Comptroller to report to the Senate may be extended from April 15 to May 6.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. WHEELER. I likewise ask that the time in which the various departments may report under Senate Resolution 351 shall be extended to May 1 in order to give them time to get their reports ready.

The VICE PRESIDENT. Is there objection? The Chair hears none.

ORDER OF BUSINESS

Mr. LEWIS. Mr. President, considering the disposition of business yesterday, I inquire what is the order of business this morning?

The VICE PRESIDENT. The question is on the amendment on page 25, commencing in line 7.

Mr. LEWIS. The amendment is to the pending bill?

The VICE PRESIDENT. It is to the pending bill.

Mr. LEWIS. Has the motion to reconsider the action in passing the bill known as the "30 hour bill", the bill of the honorable Senator from Alabama [Mr. BLACK], been noted for this morning?

The VICE PRESIDENT. No. The Senate took a recess last night, and therefore the pending business before the Senate is the agricultural relief bill.

Mr. LEWIS. And the pending amendment is to that bill?

The VICE PRESIDENT. That is correct.

Mr. LEWIS. I thank the Chair.

6-HOUR DAY AND 5-DAY WEEK—MOTION TO RECONSIDER

Mr. ROBINSON of Indiana obtained the floor.

Mr. BLACK. Mr. President, will the Senator from Indiana yield to me in order that I may ask for a unanimous-consent agreement?

Mr. ROBINSON of Indiana. I yield to the Senator if his request will lead to no discussion. I may say that I myself do not expect to consume more than from 15 to 20 minutes' time.

Mr. BLACK. I desire to ask unanimous consent that the pending business may be temporarily laid aside in order that the Senate may consider the motion to reconsider the vote whereby the so-called "30 hour bill" was passed. I have sought diligently to ascertain how many Senators wanted to speak on the motion. I have not been able to ascertain that many want to speak on it. There is certainly no reason why it should be held up. We had plenty of time to discuss the measure when it was before the Senate. The Senator from Florida [Mr. TRAMMELL], who made the motion to reconsider, is perfectly willing to proceed with it and desires to talk about 20 minutes. I desire to ask unanimous consent that the pending bill may be temporarily laid aside in order that the motion to reconsider may be taken up.

The VICE PRESIDENT. The Senator from Alabama asks unanimous consent that the pending business may be laid aside for the purpose of considering the motion of the Senator from Florida to reconsider the vote whereby the so-called "30-hour bill" was passed.

Mr. McNARY. Mr. President, yesterday, when this proposal was made, I objected to it because a time was set for its consideration in the way of an expression by vote. Today the proposal conforms to the usual parliamentary practice of temporarily setting aside the unfinished business in order to proceed to the consideration of the motion, under which proceeding any Member of the Senate may call for the regular order at any time. The Senator from West Virginia [Mr. HATFIELD] first offered the amendment which the Senator from Florida [Mr. TRAMMELL] now desires to reoffer. The Senator from West Virginia is intensely interested in this proposition, and, in his absence, I shall have to object.

Mr. BLACK. If the Senator will yield for a statement, I desire to state to the Senator that on yesterday when the Senator from West Virginia objected, I went over to his desk and asked him if he desired to make a speech or if his objection was personal to himself or was made for some other Senator. I stated then on the floor that I had been informed by the Senator from West Virginia that he was objecting for the Senator from Maine, and that he personally would not make the objection. Therefore I asked for a quorum.

Mr. McNARY. Mr. President, the Senator from West Virginia spoke to me during the day and stated that, in his opinion, several Senators representing border States wanted to be heard on this matter. The Senator from West Virginia is absent from the Chamber; I have sent for him; but, during his absence, I shall have to ask the Senator to withhold his request.

The VICE PRESIDENT. Objection is heard.

THE QUESTION OF RUSSIAN RECOGNITION

Mr. ROBINSON of Indiana. Mr. President, conditions prevail in the United States today which are unparalleled in the history of the Republic. Misery, want, suffering, and even starvation stalk throughout the length and breadth of the land. With the possible exception of China and India, I doubt whether economic conditions are worse at this moment in any other country on the face of the globe.

The American people are confronted with problems crying for solution which are positively staggering in their scope.

To the domestic issues that confront us, accordingly, the Government is giving its most earnest consideration.

In the midst of this momentous situation, the demand for immediate recognition of the Russian Government intrudes, and advocates of such a policy are insistent on their demands that it be given immediate attention, notwithstanding the fact that any cursory analysis of the situation is bound to reveal the fact that the Russian question is utterly remote and extraneous to solution of the problems which confront us.

Everybody knows that in normal times not more than 7 percent of our production is sold abroad, and a comparatively

small part even of this 7 percent is sold to Russia. How any unprejudiced mind, therefore, could conceive that recognition of the Soviet Republics would in the slightest degree remedy our economic situation here is difficult, if not impossible, to understand. But propaganda is afloat on all sides, perhaps never more insistent than now, urging that we should go into immediate partnership with the Soviets at a moment when the most momentous problems that ever have confronted the American people cry out for the best thought and the promptest action the Government can provide.

Because of the renewed efforts to revive the Russian question at this perilous moment in our history, I deem it, therefore, advisable in the midst of consideration of the pending measure to take the time of the Senate to discuss this question.

The entire policy of the present Russian Government is subversive to the rest of the world. The Soviets have no regard for solemn treaties, frankly avowing that they will sign any pact that will further their interests with the unconcealed intention to violate it as soon as self-interest has been served.

Menjinsky, head of the OGPU, or secret police of Russia, and a power in the councils of the Soviet Government, and the Third International, which are precisely the same, made this deliberate statement:

As long as there are idiots to take our signature seriously, and to put their trust in it, we must promise everything that is being asked, and as much as one likes, if we can only get something tangible in exchange.

On February 2, 1919, on the Princes Island proposal, Zinoviev, a power in Soviet councils, also said:

We are willing to sign an unfavorable peace with the Allies. It would only mean that we should put no trust whatever in the piece of paper we should sign. We should use the breathing space so obtained to gather our strength in order that the mere continued existence of our Government would keep up the world-wide propaganda which Soviet Russia has been carrying on for more than a year.

Trotsky, now in exile, but in 1918 one of the Moscow masters—and the present rulers of Russia continue to follow the same policy—made the statement that—

If in waiting the imminent proletarian flood in Europe, Russia should be compelled to conclude peace with the present-day governments of the central powers, it would be provisional, temporary, and transitory peace, with the revision of which the European revolution will have to concern itself in the first instance. Our whole policy is built upon the expectation of this revolution.

The child is father to the man and the Moscow Government is the father to the Third International. No one disputes that fact. It is admitted by the Moscow masters themselves, and the entire purpose of the Third Internationale is to destroy in any manner possible all other governments of the earth.

Great Britain recognized the Soviet Government and shortly afterward discovered in London the same sort of Soviet plottings that China unearthed in Harbin. Consequently, it became necessary to break off diplomatic relations.

Subsequently, another effort was made to get along with them and because of the high-handed disregard for international law which the Communistic Government displayed recently with reference to British subjects, the Ambassador of Great Britain to that country was recalled, and within the past 10 days the House of Commons, by a vote of 347 to 48, determined to impose an embargo on all Russian trade in reprisal for the arrest of British engineers in Russia. In other words, Great Britain found that trade with Russia was a positive handicap rather than an advantage.

France was forced to demand the recall of the Soviet Ambassador from Paris. Mexico and practically every other nation has had similar unhappy experiences with that benighted land.

It is a matter of common knowledge that Germany and Japan, as well as the United States, have been forced to deport communist conspirators acting in the name of organized tyranny that holds 150,000,000 Russians in virtual slavery today.

It is estimated that the total number of members of the Communist Party in that land is not to exceed 500,000, and in the most tyrannical fashion they wield the lash over the other 150,000,000.

In the face of these facts, it is passing strange that anyone in America should urge official recognition of that system.

At the present time, representatives of the Moscow masters are busily engaged all over this country in creating dissension and dissatisfaction among our people. They are violently opposed to our philosophy, and day and night are working industriously to overthrow our Government.

That is the situation under present conditions. What would it be if they were officially recognized? What would recognition mean?

Well, in the first place they would have an elaborate embassy located in Washington, fully staffed, entitled to many immunities, and this machinery would unquestionably be used as the central point for carrying on their admitted efforts to destroy the American Republic.

In the Soviet Embassy here, the seditious concoction would be brewed and from this embassy would emanate to all points of the United States the vicious propaganda calculated to poison American public opinion against our own institutions.

Dangerous as their activities are to our peace and welfare under present conditions, they would be infinitely worse if conducted under the official cloak of American recognition. That has been the experience of other lands. In other words, we would be simply placing a gun in their hands with which to shoot us.

I refuse to go into official partnership with any such concern, and I am not a little surprised that it would be seriously proposed. The fact is indisputable, that the Soviets have undertaken to abolish both religion and the family. Here again we may safely rely on the language of their own leaders.

So far as Russia is concerned, Lenin is the founder of the system, and since his death has been deified by the Communists and is worshiped practically as a god.

In 1923, speaking before the Department of Education in Russia, Lenin said:

Give us the child for 8 years and it will be a Bolshevik forever. We have struck the kings from the earth * * * now let us strike the King from the skies.

He was referring, of course, to Almighty God.

We must hate—hatred is the basis of communism. Children must be taught to hate their parents if they are not Communists. If they are, then the child need not respect them; need no longer worry about them.

These are not the words of antirecognition propagandists against bolshevism—they are the words of Lenin himself, the founder of the philosophy, or, in any event, the man who put it into practice on the largest scale the world has ever known.

Again, Lunacharsky said, at Moscow:

We hate Christianity and Christians; even the best of them must be regarded as our worst enemies. They preach love of one's neighbor and mercy, which is contrary to our principles.

Christian love is an obstacle to the development of the revolution. Down with the love of one's neighbors. What we need is hatred. We must know how to hate; only thus shall we conquer the universe.

Another quotation from Lenin:

Religion must be abolished. The best country is a godless country. If religion will pass out quietly, our attitude will be one of benevolent tolerance. But if it resists we will hasten its exit by violence proportioned to its resistance.

Religious persecution is the order of the day there, nor is any religion immune. All are proscribed, and the effort to dignify atheism as a national religion for the Russian people is unconcealed.

The family as an institution has all but disappeared. Children are separated from parents; wives are separated from husbands; marriage is debauched and divorce is worse than a travesty.

They have undertaken to abolish God and have destroyed the family, and over these accomplishments the Moscow masters gloat with satisfaction and glee.

These two institutions, religion and the family, held sacred by Americans everywhere, have been trodden under foot and practically abolished.

Mr. President, who would wish to have the American people go into partnership, through the channels of diplomatic relations, with a system like that?

Free labor has been practically annihilated over there. In January 1931 an official ukase of the Soviet Government of Russia conscripted all labor needed in the railroad service. All departments, enterprises, and administrations were ordered to report the names of all persons having railway experience within 10 days, and to dismiss such employees with 2 weeks' pay and orders to report to the Soviet Railway Administration. Criminal proceedings, it was announced, would be taken against persons who tried to evade such service, and employers who assisted in such concealment. The entire mobilization had to be finished by March 1. This order is printed in the Soviet official press. Yet the Soviet authorities and their mouthpieces in the United States who persistently attempt to conceal the true character of the Moscow despotism by impudent lying will continue to deny that labor is conscripted in Soviet Russia.

Walter Duranty, formerly the Moscow correspondent of the London Times, now associated with the New York Times, sent a dispatch, subject to Sovnet censorship, to his publication, which placed the number of exiles at work in Russian concentration camps at 1,000,000, 200,000 of whom were in the northern timber camps. And he stated further that in addition to exiles in concentration camps, many others were forbidden to live in cities or other specified localities. In fact, the total number of people sentenced to some form of exile during the 2-year period was placed by him at 2,000,000. And according to the Soviet official press itself, political executions were recorded for the 2 months of October and November as follows:

Kulaks (property-owning peasants).....	147
Enemies of the Soviet Government.....	39
Religious activity.....	32
Specialists and saboteurs.....	25
Contrabandists and spies.....	3
Total.....	246

It is no wonder American labor opposes most vigorously any official recognition being extended by our Government.

Alvin E. Johnson, formerly Geneva correspondent of the New York World, I am informed, Mr. President, has conducted an exhaustive official inquiry which proves that the Soviet dictators are carrying forward an ambitious plan for world-wide dumping as a means of economic disturbance leading to revolution in non-Communist nations. I read from his statement:

This is being pushed forward through constantly increasing enslavement of the workers and farmers, with wholesale conscription of labor, and unbelievable conditions prevailing in the timber camps and fisheries of eastern Russia. Here many scores of wretched men, half starving, are held in slavery and driven to their tasks insufficiently fed and clothed.

I read further from his statement:

Wholesale seizures of people have been made on trumped-up charges, and they have been condemned to a living death as slaves of the dictatorship, because of inability to get free labor to submit to iron discipline imposed by the Moscow masters. The aristocrats, bourgeoisie, and kulaks, numbering millions, are disappearing from the face of Russia; where they have gone is a mystery, but it is apparent that most of them have been exterminated. The officials of the economic section call attention to the fact that enlightened statesmen in non-Communist countries have become aroused to the reality of the menace involved in the enslavement of millions of people to a ruthless political and industrial machine, inspired by hatred for the rest of the world, and moved by a fanatical purpose to destroy all non-Communist nations.

Some time ago Matthew Woll, vice president of the American Federation of Labor, summed it up in a brief statement which I am glad to quote:

ENSLAVE LABOR IN SOVIET RUSSIA

America's wage earners are not frightened by the bombast of Soviet 5-year plan. But we are concerned at the enslavement as political convicts of countless thousands of Russian and Finnish peasants whose only offense is, that after a lifetime of hard labor, they have shown enough efficiency to own half a dozen cattle. These are the people that are being forced to cutting down the

timber, mining the coal, and producing the materials being shipped into and dumped upon our market now.

The method by which these innocent and hard-working agriculturalists are converted into convicts is very simple.

A decree forbidding all retail merchants to sell any goods in any part of the country to any individual not possessed of a collective card has been issued by the Soviet Government. But those cards are delivered only to farmers who have consented to abandon their lands and stocks of grain to the community.

Some farmers have tried, and try yet, to resist the compulsion and to live on the products of their farms. Then the "shock brigade" intervenes.

The stubborn village is surrounded by armed bands; the peasants are seized under the threat of guns; they are tied up, stripped, horsewhipped; 1 out of 10, if no more, is shot; the rest are deported to remote provinces and never heard of any more.

This process of enslavement of the peasants is being systematically and openly extended to Russia's entire agricultural population.

The system of state slavery applied to the industrial workers necessarily takes a somewhat different form.

On October 11, last, Soviet Russia issued a decree abolishing all relief whatever for their unemployed and forced them not only to work under orders or starve but to work under orders or be blacklisted by the Soviets who have a monopoly of employment. Here are the exact words of this newest law. I quote from the New York Times dispatch of Duranty, the most ardent and reliable of prosoviet correspondents.

"Unemployed persons must accept work, not only in accordance with their own specialty but also, if necessary, work requiring no special qualification.

"No reason for refusal of such proposed work will be accepted except illness supported by a medical certificate. Refusal to accept work will involve removal of such persons' names from labor-exchange files."

In other words, the unemployed must accept the work offered by the Government on its own terms or be officially blacklisted.

As the Soviet is the sole employer and does not permit its victims to leave the country, this new Soviet law can only mean that all Soviet labor has become forced labor, as defined by our law.

Again on January 30, 1933, William Green, president of the American Federation of Labor, had the following to say:

In order that there be no confused state of the public mind with reference to the position of the American Federation of Labor upon this question, it seems appropriate to restate, in positive terms, the uncompromising opposition of the American Federation of Labor to the recognition of the Soviet Government by the United States Government. * * * Labor will not compromise upon this principle. It originally declared its opposition to the recognition of the Soviet Government until the Soviet Government ceased its Communist activities in our own land and until it disavowed its declared purpose, made through the Third International, to promote world revolution and to force the acceptance of the Communist philosophy through force.

Mr. Green understands perfectly well that if we trade with Russia we must buy their goods.

That would mean—

Says Mr. Green—

that labor in the United States would suffer through the importation of goods produced and manufactured by Russian labor under intolerable conditions of employment and at an indefensible low rate of wages.

To support his contention, Mr. Green points out the example of demoralizing trade with Russia through shipments of anthracite coal to America selling for less money in New England and on the eastern seaboard than our own Pennsylvania miners can produce it.

In a folder issued by the American Federation of Labor, this statement appears:

Trade-unionism and communism are as opposite as the poles. The claim that the two movements have the same purpose but differ as to methods is the statement of a trickster and an ignoramus. Organized workers are not interested in the next century. They would improve the world in their time and depend upon future generations to do likewise. That is why they struggle for higher wages, shorter hours, sanitary shops, compensation for injury, death, and occupational diseases, etc. The object of the simon-pure Communist is revolution—not only industrial but an upheaval of morals, ethics, and every other right relation between men.

But notwithstanding all known facts to the contrary, some Americans insist on contending that recognition would be a good thing for us economically.

Well, in the first place, trade has been going on with Russia on quite a large scale for a number of years and it has

brought no noticeable economic benefit to us. The truth is, when we do trade with that country, Russia demands cash from us on our purchases and long-time credit on what she buys. This, notwithstanding the fact that on former occasions she has deliberately repudiated her financial obligations to our people; and the present Soviet Government insists that a treaty is only a "scrap of paper", to be violated whenever her own self-interest suggests such action.

According to an Associated Press dispatch published in the Washington Star, Italy will call a halt on trade with the Soviets after 2 years. Her experiences with that country have been unhappy. Italy paid in cash, while Russia paid in credits running from 9 to 52 months.

Russia got the lion's share of the trading and thereby chalked up a balance heavily unfavorable to Italy.

The dispatch adds—

Russia got the lion's share of the trading and Italy is left holding the bag with a half billion lire in promissory notes.

Other countries have had similar experiences.

The truth is Russia owes every nation with whom she has dealt. Italy, England, France, Germany, the United States—all tell the same story.

And even granting for the sake of argument, though I do not admit its truth, that trade relations might be stimulated, how would we be advantaged if we pay out cash to them and extend credit for their purchases here? That they expect such an arrangement is admitted by their own leader.

For instance, John G. Ohsol, vice president of Amtorg, New York City, official Soviet agents, said on December 18, 1932:

Most of this business will go to other countries which have extended more favorable credit conditions and have not placed restrictions on Russian goods.

Peter A. Bogdanov, chairman of Amtorg, New York City, official Soviet agents, on May 26, 1932, had this to say:

The United States must buy as well as sell if it wants to enjoy a profitable business with Soviet Russia. It is obvious that the trade cannot be a one-sided affair.

And July 23, 1932, from the same source:

If America wishes to enjoy a profitable trade with Soviet Russia, she must arrange a liberal credit through which such business can be carried on.

In other words, Russia is willing to buy provided she is extended long-time credits and receives payment from us in cash.

When it is considered that she is only one of the many countries of the globe buying from us, and that our entire export is normally less than 7 percent of our production, it becomes perfectly apparent that no possible economic advantage can be gained by official recognition.

Of course, as I see it, recognition of the Soviet Government would be unwise from any standpoint; but its avowed purpose to destroy organized government everywhere, it seems to me, makes recognition unthinkable.

The Daily Worker, published in New York City, is the official organ in this country of the Communists. I quote from the issue of September 18, 1918, with reference to the growth of the Communist movement:

* * * American defenders of Soviet Russia attempt to differentiate in their public utterances between the Third International and the Soviet Government in their false claim that revolutionary agitation in the United States is not under the direction of the Soviet Government. The central editorial in the Daily Worker, official Russian Communist organ in the United States, is by Joseph Stalin, head of the Soviet Government and of the Third International. Stalin directs American Communists to read two books—Building Socialism in the Soviet Union, which presents working plans whereby the Communists in the United States may lay the groundwork for the Communist revolution here; second, The Trade Unions of the Union of Soviet Socialist Republics, suggesting ways in which the working trades of the United States may be subverted to Communist revolutionary purposes. It is fair to say that those who pretend there is a distinction between the Moscow Government and the Third Internationale know better. It is not ignorance but cunning which causes them to take this position.

The following paragraph is from the report of Comrade Kussinen at the tenth plenum of the executive committee of the Comintern, governing body of the Communists of the world, as printed in the *Daily Worker*:

The world army of the active class fighters is growing at a tremendously rapid pace. The miners in the Ruhr and in Scotland, the textile workers in Poland and in France, the barricade fighters of Berlin, the Bombay strikers and demonstrators, the plantation strikers in Colombia, the rebellious negroes in the Congo, the striking agricultural laborers in Czechoslovakia and in Poland, the revolutionary trade unions and the peasant guerilla warriors in China, the rebellious tribes in Morocco, and hundreds of thousands of other fighting groups—this is a gigantic active army. It shows how the revolutionary movement is growing throughout the world. If it goes on at this rate, all will be well. Yet the Communist Internationale should and will bring together even greater masses of the millions for the fight against the world bourgeoisie and for the proletarian world revolution.

The above shows the movement to be world-wide in scope, and, at the same time, admits that the Moscow Government and the Third Internationale are one the same thing.

Citing the particular tasks of the Communist Party, the thesis of the twelfth plenum of the Communist Internationale at Moscow, November 1932, among other things, contains the following:

The American party must mobilize the masses and concentrate chiefly for social insurance, etc., etc. * * * In regard to organization, carefully conceal the communistic nuclei in the factories, immediately proceed to form strictly secret nuclei in the military units and the militarized organization of the bourgeoisie in munition factories, on the railroads and in the ports and to take measures to insure that the party can promptly pass to an illegal basis in case of necessity.

And at the same time, Joseph Stalin, dictator of Russia and head of the Communist Party, made the following statement:

I consider that the Communist Party in the U.S.A. is one of the few communist parties to which history has confided decisive tasks from the viewpoint of the world revolutionary movement. The revolutionary crisis has not yet arrived in the United States, but there are already numerous indications which lead us to believe that it is near.

The Third Internationale has enabled the Communist Party of America to reach a stage where it can actively prepare the masses for future revolution.

American capitalism is thus moving relentlessly, not toward a technical or an industrial revolution, but toward a proletarian revolution.

Finally, I desire to quote to some extent from an article by Donald Day, published in the *Chicago Daily Tribune* of March 28, this year, with reference to Russian boasts of undermining world stability.

The report opens by stating that events of the last 2 years have confirmed Stalin's thesis that capitalism, after having passed through an era of temporary stabilization, is ripe for more active revolutionary leadership from Moscow, and claims that Stalin's program to develop world revolution through cultivating strikes has been successful.

Communists abroad, continues the report, have begun for the first time actively to organize the farmers of the United States, Germany, France, Holland, Spain, and Czechoslovakia with large success. * * * According to statistics of the comintern headquarters its agents abroad now number 1,276,600, an increase of one third since June 1932.

In summarizing the revolutionary activities in different parts of the world from the official report we see from Mr. Day's story the following:

Japan: Influential on students, workers, peasants, and soldiers. Much illegal literature is being distributed.

China: Party has grown from 192,000 to 280,000 in last 18 months; has supported boycott against Japan and is helping Chinese Red Army.

Spain: Few hundred Communists when Spanish Republic was declared; now has 17,500 and controls unions with membership of 200,000.

Poland: White Russians and Ukrainian branches cooperating with Communists to overthrow present regime.

Czechoslovakia: Growth in membership from 22,000 to 75,000.

Italy: Parading as Fascists, the Communists have organized strikes and uprisings.

England: Active part in textile strike and other industrial activities.

In short, Mr. President, I am unable to find one good reason for Russian recognition. On the contrary, all the evidence points in the other direction.

Up to this hour we have steadfastly turned our faces against recognition. Most of us have come to believe that attitude to be our settled policy. It was formulated in the latter part of Woodrow Wilson's administration. On August 10, 1920, the Secretary of State, Bainbridge Colby, stated this policy in a note to the Italian Ambassador. Mr. Colby said:

In the view of this Government there cannot be any common ground upon which it can stand with a power whose conceptions of international relations are so entirely alien to our own, so utterly repugnant to its moral sense. There can be no mutual confidence or trust, no respect even, if pledges are to be given and agreements made with a cynical repudiation of their obligations already in the minds of one of the parties. We cannot recognize, hold official relations with, or give friendly reception to the agents of a government which is determined and bound to conspire against our institutions; whose diplomats will be agitators of dangerous revolt; whose spokesmen say that they sign agreements with no intention of keeping them.

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. ROBINSON of Indiana. I yield.

Mr. ASHURST. Would the Senator be so kind as to print at the conclusion of his remarks the letter or pronouncement of Mr. Colby, made when he was Secretary of State, to which the Senator has referred?

Mr. ROBINSON of Indiana. I shall be very happy to do so.

From that day to this the policy then enunciated has been followed by succeeding administrations.

Answering recognitionists, Charles Evans Hughes, when he was head of the State Department, spoke as follows:

The American Government, as the President said in his message to Congress, is not proposing to barter away its principles. If the Soviet authorities are ready to restore confiscated property of American citizens or make effective compensation, they can do so. If the Soviet authorities are ready to repeal their decree repudiating Russia's obligations to this country and appropriately recognize them, they can do so * * *. Most serious is the continued propaganda to overthrow the institutions of this country. This Government can enter into no negotiations until these efforts directed from Moscow are abandoned.

In a message to Congress, President Calvin Coolidge said:

I do not propose to barter away for the privilege of trade any of the cherished rights of humanity. I do not propose to make merchandise of any American principles. These rights and principles must go wherever the sanctions of our Government go.

Herbert Hoover adopted the same policy throughout his administration.

Now, in the course of events, Franklin D. Roosevelt is the Chief Executive of the Nation, and from all sides the propagandists are urging a change in this sound American policy.

Indeed, broad intimations are heard to the effect that President Roosevelt is not unfriendly to the proposed change.

It is fervently to be hoped that the rumors are not well founded. In the midst of all our troubles it is the devout wish of the American people that executive concentration be directed to the solution of our domestic difficulties.

But regardless of what may be in the Presidential mind, I shall personally, with whatever humble ability I may possess, do everything in my power to prevent Russian recognition.

I refuse to lend my sanction to a partnership with a group of conspirators who openly avow that one of their chief objectives is the destruction of the Government under which I live, and to which I owe my allegiance.

Mr. President, I ask unanimous consent to have printed in the *RECORD*, immediately following my address on this subject, the document alluded to by the Senator from Arizona [Mr. ASHURST], namely, the statement of Mr. Bainbridge Colby, in full.

The VICE PRESIDENT. Is there objection?

There being no objection, the matter was ordered to be printed in the *RECORD*, as follows:

TEXT OF AMERICAN NOTE REFUSING TO RECOGNIZE SOVIET RUSSIA
NOTE OF SECRETARY OF STATE COLBY TO THE ITALIAN AMBASSADOR,
AUGUST 10, 1920

(Department of State notes exchanged on the Russian-Polish situation by the United States, France, and Poland, International Conciliation Pamphlets, October 1920, no. 155, pp. 5-11)

DEPARTMENT OF STATE,
Washington, August 10, 1920.

EXCELLENCY: The agreeable intimation which you have conveyed to the State Department, that the Italian Government would welcome a statement of the views of this Government on the situation presented by the Russian advance into Poland, deserves a prompt response, and I will attempt without delay a definition of this Government's position not only as to the situation arising from Russian military pressure upon Poland but also as to certain cognate and inseparable phases of the Russian question viewed more broadly.

This Government believes in a united, free, and autonomous Polish State, and the people of the United States are earnestly solicitous for the maintenance of Poland's political independence and territorial integrity. From this attitude we will not depart, and the policy of this Government will be directed to the employment of all available means to render it effectual.

The Government, therefore, takes no exception to the effort apparently being made in some quarters to arrange an armistice between Poland and Russia, but it would not, at least for the present, participate in any plan for the expansion of the armistice negotiations into a general European conference, which would in all probability involve two results, from both of which this country strongly recoils, viz, the recognition of the Bolshevik regime and a settlement of the Russian problem almost inevitably upon the basis of a dismemberment of Russia.

From the beginning of the Russian revolution, in March 1917, to the present moment the Government and the people of the United States have followed its development with friendly solicitude and with profound sympathy for the efforts of the Russian people to reconstruct their national life upon the broad basis of popular self-government. The Government of the United States, reflecting the spirit of its people, has at all times desired to help the Russian people. In that spirit all its relations with Russia and with other nations in matters affecting the latter's interests have been conceived and governed.

The Government of the United States was the first Government to acknowledge the validity of the revolution and to give recognition of the provisional government of Russia. Almost immediately thereafter it became necessary for the United States to enter the war against Germany, and in that undertaking to become closely associated with the allied nations, including, of course, Russia. The war weariness of the masses of the Russian people was fully known to this Government and sympathetically comprehended. Prudence, self-interest, and loyalty to our associates made it desirable that we should give moral and material support to the provisional government, which was struggling to accomplish a twofold task—to carry on the war with vigor and, at the same time, to reorganize the life of the nation and establish a stable government based on popular sovereignty.

Quite independent of these motives, however, was the sincere friendship of the Government and the people of the United States for the great Russian nation. The friendship manifested by Russia toward this Nation in a time of trial and distress has left with us an imperishable sense of gratitude. It was as a grateful friend that we sent to Russia an expert commission to aid in bringing about such a reorganization of the railroad transportation system of the country as would reinvigorate the whole of its economic life and so add to the well-being of the Russian people.

While deeply regretting the withdrawal of Russia from the war at a critical time, and the disastrous surrender at Brest-Litovsk, the United States has fully understood that the people of Russia were in nowise responsible.

The United States maintains unimpaired its faith in the Russian people, in their high character, and their future. That they will overcome the existing anarchy, suffering, and destitution we do not entertain the slightest doubt. The distressing character of Russia's transition has many historical parallels, and the United States is confident that restored, free, and united Russia will again take a leading place in the world, joining with the other free nations in upholding peace and orderly justice.

Until that time shall arrive the United States feels that friendship and honor require that Russia's interests must be generously protected, and that, as far as possible, all decisions of vital importance to it, and especially those concerning its sovereignty over the territory of the former Russian Empire, be held in abeyance. By this feeling of friendship and honorable obligation to the great nation whose brave and heroic self-sacrifice contributed so much to the successful termination of the war, the Government of the United States was guided in its reply to the Lithuanian National Council, on October 15, 1919, and in its persistent refusal to recognize the Baltic States as separate nations independent of Russia. The same spirit was manifested in the note of this Government of March 24, 1920, in which it was stated, with reference to certain proposed settlements in the Near East, that no final decision should or can be made without the consent of Russia.

In line with these important declarations of policy the United States withheld its approval from the decision of the Supreme

Council at Paris recognizing the independence of the so-called Republics of Georgia and Azerbaijan, and so instructed its representative in southern Russia, Rear Admiral Newton A. McCully.

Finally, while gladly giving recognition to the independence of Armenia, the Government of the United States has taken the position that final determination of its boundaries must not be made without Russia's cooperation and agreement. Not only is Russia concerned because a considerable part of the territory of the new State of Armenia, when it shall be defined, formerly belonged to the Russian Empire, equally important is the fact that Armenia must have the good will and protective friendship of Russia if it is to remain independent and free.

These illustrations show with what consistency the Government of the United States has been guided in its foreign policy by a loyal friendship for Russia. We are unwilling that while it is helpless in the grip of a nonrepresentative government, whose only sanction is brutal force, Russia shall be weakened still further by a policy of dismemberment conceived in other than Russian interests.

With the desire of the Allied Powers to bring about a peaceful solution of the existing difficulties in Europe this Government is, of course, in hearty accord, and will support any justifiable steps to that end. It is unable to perceive, however, that a recognition of the Soviet regime would promote, much less accomplish, this object, and it is therefore adverse to any dealings with the Soviet regime beyond the most narrow boundaries to which a discussion of an armistice can be confined.

That the present rulers of Russia do not rule by the will or the consent of any considerable proportion of the Russian people is an incontestable fact. Although nearly 2½ years have passed since they seized the machinery of government, promising to protect the Constituent Assembly against alleged conspiracies against it, they have not yet permitted anything in the way of a popular election. At the moment when the work of creating a popular representative government based upon universal suffrage was nearing completion the Bolsheviks, although in number an inconsiderable minority of the people, by force and cunning seized the powers and machinery of government, and have continued to use them with savage oppression to maintain themselves in power.

Without any desire to interfere in the internal affairs of the Russian people or to suggest what kind of government they should have, the Government of the United States does express the hope that they will soon find a way to set up a government representing their free will and purpose. When that time comes the United States will consider the measures of practical assistance which can be taken to promote the restoration of Russia, provided Russia has not taken itself wholly out of the pale of the friendly interest of other nations by the pillage and oppression of the Poles.

It is not possible for the Government of the United States to recognize the present rulers of Russia as a government with which the relations common to friendly governments can be maintained. This conviction has nothing to do with any particular political or social structure which the Russian people themselves may see fit to embrace. It rests upon a wholly different set of facts. These facts, which none disputes, have convinced the Government of the United States, against its will, that the existing regime in Russia is based upon the negation of every principle of honor and good faith and every usage and convention underlying the whole structure of international law—the negation, in short, of every principle upon which it is possible to base harmonious and trustful relations, whether of nations or of individuals.

The responsible leaders of the regime have frequently and openly boasted that they are willing to sign agreements and undertakings with foreign powers while not having the slightest intention of observing such undertakings or carrying out such agreements. This attitude of disregard of obligations voluntarily entered into they base upon the theory that no compact or agreement made with a non-Bolshevik government can have any moral force for them. They have not only avowed this as a doctrine but have exemplified it in practice.

Indeed, upon numerous occasions the responsible spokesmen of this power and its official agencies have declared that it is their understanding that the very existence of bolshevism in Russia, the maintenance of their own rule, depends, and must continue to depend, upon the occurrence of revolutions in all other great civilized nations, including the United States, which will overthrow and destroy their governments and set up Bolshevik rule in their stead. They have made it quite plain that they intend to use every means, including, of course, diplomatic agencies, to promote such revolutionary movements in other countries.

It is true that they have in various ways expressed their willingness to give "assurances" and "guaranties" that they will not abuse the privileges and immunities of diplomatic agencies by using them for this purpose. In view of their own declarations, already referred to, such assurances and guaranties cannot be very seriously considered.

Moreover, it is within the knowledge of the Government of the United States that the bolshevik Government is itself subject to the control of a political faction with extensive international ramifications through the Third International, and that this body, which is heavily subsidized by the Bolshevik Government from the public revenues of Russia, has for its openly avowed aim the promotion of bolshevik revolutions throughout the world. The leaders of the Bolsheviks have boasted that their promises of noninterference with other nations would in no way bind the agents of this body.

There is no room for reasonable doubt that such agents would receive the support and protection of any diplomatic agencies the Bolsheviks might have in other countries. Inevitably, therefore, the diplomatic service of the Bolshevik Government would become a channel for intrigues and the propaganda of revolt against the institutions and laws of countries with which it was at peace, which would be an abuse of friendship to which enlightened governments cannot subject themselves.

In the view of this Government there cannot be any common ground upon which it can stand with a power whose conceptions of international relations are so entirely alien to its own, so utterly repugnant to its moral sense. There can be no mutual confidence or trust, no respect even, if pledges are to be given and agreements made with a cynical repudiation of their obligations already in the minds of one of the parties. We cannot recognize, hold official relations with, or give friendly reception to the agents of a government which is determined and bound to conspire against our institutions; whose diplomats will be the agitators of dangerous revolt; whose spokesmen say that they sign agreements with no intention of keeping them.

To summarize the position of this Government, I would say, therefore, in response to Your Excellency's inquiry, that it would regard with satisfaction a declaration by the Allied and Associated Powers that the territorial integrity and true boundaries of Russia shall be respected. These boundaries should properly include the whole of the former Russian Empire, with the exception of Finland proper, ethnic Poland, and such territory as may by agreement form a part of the Armenian State.

The aspirations of these nations are legitimate. Each was forcibly annexed, and their liberation from oppressive alien rule involves no aggression against Russia's territorial rights and has received the sanction of the public opinion of all free peoples. Such a declaration presupposes the withdrawal of all foreign troops from the territory embraced by these boundaries, and in the opinion of this Government should be accompanied by the announcement that no transgression by Poland, Finland, or any other power, of the line so drawn will be permitted.

Thus only can the Bolshevik regime be deprived of its false but effective appeal to Russian nationalism and compelled to meet the inevitable challenge of reason and self-respect which the Russian people, secure from invasion and territorial violation, are sure to address to a social philosophy that degrades them and a tyranny that oppresses them.

The policy herein outlined will command the support of this Government.

Accept, Excellency, the renewed assurance of my highest consideration.

BAINBRIDGE COLBY.

His Excellency, Baron CAMMILLO ROMANO AVEZZANO,
Ambassador of Italy.

Mr. BORAH. Mr. President, I do not intend to take the time of the Senate to discuss generally the question of the recognition of Russia. I have been an advocate of that policy for many years and have expressed myself on the subject so often that I could but reiterate what I have heretofore said. Perhaps it is a useless waste of energy to discuss the subject further at any time, but with the measure for farm relief pending I shall be brief on this occasion. I observe from the able speech of the Senator from Indiana that those who are opposing recognition are also reiterating what has heretofore often been said. I do not care to thresh over old arguments. But every once in a while there is an accession to the ranks of those who believe in the recognition of Russia, and with the advent of a new advocate often come new ideas, at least newly and more interestingly presented. So I shall content myself in the main with calling attention to the views of a distinguished person who has recently expressed his views on this subject.

No one has stated the proposition of the recognition of Russia more briefly and yet more comprehensively than ex-Governor Smith, of New York. In an editorial appearing in his magazine, the *New Outlook*, in the April number of 1933, he discusses the subject, as I say, briefly but convincingly. I read only one paragraph. The remainder I shall ask to have inserted in the *RECORD* in full.

Russian propaganda in this and other countries is also offered as a reason against recognition. I don't know how wide-spread Russian propaganda is, and I don't believe anyone else knows. In fact, there is considerable doubt as to whether the Russian Government actually is attempting to undermine other governments. If so, I am not afraid of what it will accomplish here.

Mr. ROBINSON of Indiana. Mr. President, will the Senator from Idaho yield right there?

The PRESIDING OFFICER (Mr. COUZENS in the chair). Does the Senator from Idaho yield to the Senator from Indiana?

Mr. BORAH. I yield.

Mr. ROBINSON of Indiana. There should be no doubt about the Russian Government undermining other governments or attempting it. They admit it. I have just quoted from the thesis of the twelfth plenum of last November, the statement by both Joseph Stalin and the quotation of the thesis itself, showing that is what they are doing.

Mr. BORAH. I am aware, Mr. President, of the supposed statements referred to by the Senator from Indiana, but I express my belief, based upon as thorough investigation as I have been able to give to the subject, that there has never been since Mr. Stalin became dictator of the Russian Government any attempt whatever upon the part of the Soviet Republic to interfere with the governmental affairs of the United States or to seek by propaganda to interfere with the governmental affairs of this country. Mr. Stalin well said, the Russian people have their own task to perform, their own problem to solve, and the best way for them to demonstrate that communism is a success, to satisfy the remainder of the world, is to demonstrate that it is a success in Russia, and that they will give their entire attention and consideration to that matter. In my opinion, the charge that the Soviet Government is seeking to undermine or destroy our Government is an exploded and absurd proposition.

Mr. President, the fear as to the effect of propaganda in the United States is based upon the supposition that the intelligence, character, and patriotism of the people of the United States are matters of grave doubt. It is my belief that if you would empty the entire amount of propaganda which is supposed to be gathered upon the borders of the United States into the laps of the people of the United States it would not have the slightest effect upon the thought and purpose of the people of the United States or their loyalty to our Government. The people of the United States are perfectly capable of reading, reflecting, and thinking over the different propositions which are presented to the world in different ways and of determining for themselves what is wise and what is not.

If I did not believe in the intelligence and the patriotism of the people of the United States, I might be afraid that they would be misled by propaganda of that kind; but as I do believe in their intelligence and patriotism I have no such fear whatever. I am not willing to base our foreign policies upon the theory that our own people are weaklings susceptible to every intellectual wind that blows.

Mr. ROBINSON of Indiana. Mr. President, will the Senator from Idaho yield?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Indiana?

Mr. BORAH. I yield.

Mr. ROBINSON of Indiana. I suppose the Senator from Idaho thinks it would be a perfectly fine thing to have a Russian Embassy established in Washington, which could be used as a center for propaganda looking to the destruction of American institutions? If one would assume, for the sake of argument—trying to agree with the Senator from Idaho, though I do not agree with him at all—that the American people could take care of themselves, what possible advantage could come from having this propaganda constantly spread through the length and breadth of the land?

Mr. BORAH. Mr. President, the fact of having an embassy established here would not aid or facilitate the Russians spreading propaganda in the United States in any substantial respect whatever. One can purchase for 5 cents any information he desires about Russia. During the time that Trotsky was writing for the *Saturday Evening Post* one could buy all kinds of literature and the entire discussion of the subject for 5 cents. If the 5 cents was not to be had the literature could be had free at the public libraries. It was spread out to the people of the United States. No such literature is being denied the people of the United States. They know precisely what is going on in Russia; they know all that is going on so far as information can be carried by any kind of propaganda, pro or con. Mr. Stalin's biography has been written by friendly persons and circulated throughout the United States. There is constantly appearing in the

newspapers all news about Russia; there is constantly appearing the side presented by the Russian people themselves; the arguments, pro and con, upon the Russian question and communism are constantly presented throughout the United States. There is no attempt, in any way of which I know, to prevent the circulation of any facts or arguments as to the wisdom or unwisdom of the great experiment in Russia or any circumstances touching Russian life or conditions in Russia.

Mr. ROBINSON of Indiana. If the Senator will yield again, the frank purpose of the Soviet Government in Russia is to destroy, with others, the American system and the American form of government. If that be true—and they admit it is true; they admitted it no farther back than last November in the proceedings of the twelfth plenum and Mr. Stalin himself admitted it, and I think, again in January of this very year, 2 months ago, Stalin made a statement to the same effect, that their purpose is to destroy the American Government and the American system of government and American institutions—what possible reason is there for our going into official partnership with them? What do we get out of it? That is what I should like to know.

Mr. BORAH. I do not concede the Senator's contention, in the first place, that they have any intention of destroying the Government of the United States. Whatever else may be said of the leaders in Russia, they are far too wise to entertain any such thought.

Mr. ROBINSON of Indiana. They admit that they have. I have read it here from their own statements.

Mr. BORAH. They have no intention of destroying the Government of the United States and they know perfectly well that they could not destroy the Government of the United States if they should undertake to do so. How are they going to destroy it? Are they going to land an army or are they going to seduce our own people into their belief? One or the other must be chosen, I suppose. I fear neither; and neither will be undertaken.

I have no fear of their landing an army, even if their ambassador were here. And I have no fear of their propaganda though it come in carload lots.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. LONG. Is there not more danger of this country being destroyed by 1 percent of the people owning 80 percent of the wealth than there is of a Russian army destroying it?

Mr. BORAH. Mr. President, I do not want to get into a discussion of that question, because I do not wish, by discussing the Soviet question, to delay the consideration of the bill which is now before the Senate.

Mr. President, I was reading from Governor Smith—and I would much prefer to read from the Governor than to discuss the question myself. His article in the New Outlook continues:

If so, I am not afraid of what it will accomplish here. There were orators spouting in Union Square when I was a boy, long before communism was heard of, and before socialism became respectable. At that time the fear was that the Socialists would overthrow the Government. As long as we stick to our fundamental principles of free speech and a free press, as a safety valve for the more excited and explosive elements in the community, we need have no fear of foreign propaganda. The Russians have plenty to do at home—

And so forth.

Mr. President, there was a time when we had more confidence in the character and loyalty of our own people and when we were more tolerant in permitting other peoples to work out their own problems and have whatever form of government they desired. It will be remembered—I think it was in April 1792, or 1793—that Washington sent word to his Cabinet to convene in Cabinet session. He advised them that he was going to consider the question of the recognition of the improvised revolutionary government of France. At the time that note was sent out the Government of France consisted of what was known as the Committee of Public Safety, at the head of which was, first, Danton, and afterward Robespierre. These men held in

their control the life and property of every man, woman, and child in France. They were the legislative body; the judicial body; they were the executive body; they were the sole Government of France at the time Washington proposed to recognize the Government of France. A short time before, the King of France had been beheaded, and a short time thereafter the Queen of France, the beautiful Marie Antoinette, was beheaded. The guillotine was running red every morning, and from 25 to 50 people were being executed day after day on the guillotine. The revolutionary government had offered to come to the help of any people who wished to overthrow their government. Under these circumstances Washington called his Cabinet together to consider the question of recognizing the Government of France as it then existed.

At that table sat Alexander Hamilton, one of the most powerful intellects in the history of governments. At that table sat Thomas Jefferson, the greatest political philosopher in all the history of the world. Such was the Cabinet and such were the forces and influences with which they had to contend in passing upon the question before them. Yet after less than 1 hour of discussion the Cabinet determined to recognize the Committee of Public Safety, or the Government of France, as it then was. When President Washington was asked why he would recognize a government in whose principles he utterly disbelieved, he stated that it was a bloody road over which France was traveling to democracy, but it was the only road over which she could ever reach a democratic form of government. Neither Washington nor Hamilton nor Jefferson believed in the bloody tenets of the revolutionary leaders of France, but they believed in the great principles which those leaders dimly grasped.

What was happening in England? The great debate was going on day after day between William Pitt and Charles James Fox over the question of recognizing the revolutionary government of France. The argument was asserted day after day in the inimitable language of William Pitt that the Government of France was an organized system arrayed against all other governments. If you turn back and read the speech of William Pitt in February 1801 against the recognition of France, you will find there the same declarations that are now being made against Russia. It was said that France would not keep her treaty promises; that France had agreed to send her army to any people who wanted to overthrow their government; that they had dethroned order and law and ridiculed religion and disowned God.

When finally the time came, some years afterward, that England felt it necessary to recognize the Government of France, Charles James Fox called attention to the fact that they would have done better to have followed the great western leader, George Washington, and to have recognized the French Government years previously.

Mr. VANDENBERG. Mr. President, may I ask the Senator a question?

Mr. BORAH. Yes.

Mr. VANDENBERG. Is there any further analogy in the fact that after the French Government was recognized and Citizen Genét became its Ambassador, he so embroiled himself and the American Republic in difficulties that he had to be dismissed because of that fact?

Mr. BORAH. He was recalled, but the recognition of his Government was not withdrawn. President Washington asked that another representative of the Government of France be sent in the place of Genét. There was no break in diplomatic relations.

Mr. ROBINSON of Indiana. Mr. President, if the Senator will yield, at that time it is quite true, perhaps—there is some difference of opinion—that the statement was made and the charge made that France would not keep her word. I do not think her word is any better today than it then was. She has not paid her debt to this country, but refuses to do so.

Mr. BORAH. I suppose the Senator, however, is not going to move that we sever diplomatic relations with France?

Mr. ROBINSON of Indiana. No; I am not going to move in that direction, but if France should get in the same situation that Russia is now in, should follow the same system, and undertake to direct from Paris and from her Embassy here, every activity possible to destroy the Government under which I live and to which I owe allegiance, then, of course, I would insist that her Ambassador be recalled and that we sever diplomatic relations.

Mr. LEWIS. Mr. President—

Mr. BORAH. I yield.

Mr. LEWIS. I make bold, with the consent of the able Senator from Idaho, to say that, while I do not now speak to the question of Russia, its acknowledgment, or recognition, I ask the Senator if he will not recall that Lord Palmerston, the Premier, following up the question as to France, in a communication and in a public address placed the theory of the recognition of France upon the idea that each country had a right to have its own kind of government and that the recognition of a people for the purpose of trade or any other relationship was not in itself an endorsement of their particular government or their methods; and he referred to the United States, as the able Senator will recall, as continuing its relationship with England, but in nowise endorsing its policies of government.

Mr. BORAH. Certainly, that is a very well-established principle.

Mr. LEWIS. I recall Lord Palmerston's position on that question, because it was specifically addressed to France.

Mr. BORAH. I do not recall the Lord Palmerston letter, but I do, of course, recognize the principle that by recognizing a government or a people we do not endorse either their form of government or the practices of their people. If we did, we would at this time withdraw recognition from several governments I could mention.

Mr. COSTIGAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Colorado?

Mr. BORAH. I yield.

Mr. COSTIGAN. Is it not the judgment of the able Senator from Idaho, as a student of history, that, in the great debate to which the Senator has referred, Lord Chatham, the brilliant father of William Pitt, if he had been living, would not have stood with his distinguished son, but rather with Charles James Fox?

Mr. BORAH. I would judge from the elder Pitt's record with reference to the Colonies that that would be true.

Mr. President, we are told that a great many of the countries which have recognized Russia have had difficulties and that the recognition program has not been satisfactory. It reminds me to recall while we read of difficulties we also read that year after year they enlarge their trade agreement with Russia. Only lately have important treaties been concluded with France and Poland. I venture the opinion that the controversy which is now going on between Great Britain and Russia will finally result in an enlarged trade agreement between those countries.

Japan recognized Russia several years ago and in a public statement made the other day by her Premier said that the relationship of the two countries had been entirely satisfactory since the recognition.

There always will be disturbances in the relations between governments, whether there is a full recognition or partial recognition or no recognition; but the governments which have recognized Russia, with one single exception, have continued in that relationship.

However, suppose we put aside all the questions of immediate benefit and judge the situation from the world condition of affairs. We are now about to engage in a world economic conference. How are we going to adjust world economic affairs and leave out Russia? We now have going on intermittently in Geneva a disarmament conference. How are we going to disarm without taking into consideration Russia? How are we going to establish peace throughout the world with one sixth of the earth's surface outside of the family of nations? How are we going to establish an increased price of world commodities without taking into

consideration the greatest natural wealth and productive power in the world today outside of the United States, and that is Russia? How can we adjust any of these questions, peace or armaments or economic recovery, without this great country which occupies one sixth of the earth's surface? How can we restore economic solidarity and adjust the problems which are driving the whole world to misery and ruin and leave out Russia?

It is not because Russia stands in such need of recognition and not of any particular advantage to the people of the United States that we need argue this, but I ask in all sincerity of the advocates of the World Court, of the League of Nations, those who hope something may come of the economic conference, of the disarmament program, how can you hope to achieve ultimate and final success without considering the Russian people and the Russian Government? How can you win world peace, how can you restore amity and confidence among the nations if you leave out 160,000,000 people in possession of one sixth of the earth, and of the greatest undeveloped wealth on the globe? You meet Russia at every move. You may ignore her, but at the disarmament conference, at the economic conference, at every gathering where men meet to solve the world's problems, there is Russia. We cannot avoid taking her into consideration. Why not, therefore, meet her as one of the family of nations, and by doing so greatly advance the solutions of the problems for which the world anxiously awaits?

I ask unanimous consent to have printed at this point in my remarks the editorial of ex-Governor Smith, to which I have referred.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New Outlook, April 1933]

RECOGNIZE RUSSIA

The Senate Finance Committee at Washington invited a number of people to appear and to offer their ideas as to recovery. In the course of my remarks I strongly advocated the recognition of Russia. This was no unconsidered recommendation. I had come to this conclusion for a number of reasons and after analyzing a great many objections.

One of the principal objections is that Russia owes us money because of debts contracted before we entered the war. As a matter of fact, it turns out that we sold considerable material to the Kerensky government on the supposition, which proved to be a poor guess, that Kerensky would last. It is common knowledge that a good deal of what we sent over never reached Kerensky. The amount involved is not great. It is true also that private property of American citizens was taken by the Soviet Government after the revolution. So was all other private property. As against this, we must not forget that we maintained armies in Russia and Siberia, which did considerable damage and cost the natives much money, at a time when we were not at war with Russia and had no possible excuse under international law for keeping troops on her territory. In any adjustment this army invasion must be balanced against whatever Russia owes us. When it is all boiled down, this argument against recognition does not amount to much.

Then we have the argument that we should not trade with Russia because she does not keep her agreements. The fact of the matter is that we are dealing with Russia every day under cover, and that Russia has in this country the so-called Amtorg Trading Corporation, an official body which is carrying on negotiations for exchange of goods every day, and which certainly should not be permitted to function on American soil if trade relations are forbidden. If, on the other hand, we are trading under cover, we might better trade in the open.

Another argument against Russian recognition is that we disapprove of their form and theories of government. This argument runs counter to every sound American tradition. Thomas Jefferson told us that if we did not like our own Government we should do away with it and build up a new one. We have no right to tell another nation how it shall govern itself.

Russian propaganda in this and other countries is also offered as a reason against recognition. I don't know how wide-spread Russian propaganda is, and I don't believe anyone else knows. In fact, there is considerable doubt as to whether the Russian Government actually is attempting to undermine other governments. If so, I am not afraid of what it will accomplish here. There were orators spouting in Union Square when I was a boy, long before communism was heard of, and before socialism became respectable. At that time the fear was that the socialists would overthrow the Government. As long as we stick to our fundamental principles of free speech and a free press, as a safety valve for the more excited and explosive elements in the community, we need have no fear of foreign propaganda. The Russians have plenty to do at home with their 5- and 10-year plans, and with the feeding of a population which has been taken away

from the soil and put to unaccustomed work in factories. They are much more likely to become conservative than we are to become radical.

We are not proposing to withdraw our diplomatic representatives from Germany because Hitler and his party have come into power, although there is much in their philosophy which does not appeal to Americans. If anything, they are more extreme than the Communists. Moreover, if the Communist Party in Germany were to succeed Hitler, I don't think we would refuse to recognize the new administration.

My impression is that we could reestablish relations with Russia on favorable terms to both countries if we made the right sort of gesture. I would like to see a commission sent to Russia to negotiate a diplomatic and trade agreement, composed of men like Newton D. Baker, Brig. Gen. William N. Haskell, who had charge of the relief work after the war in Russia and the Near East, Hugh Cooper, the engineer who built the great dam on the Dnieper River, Alexander Legge, the president of the International Harvester Co., and Senator Barkley, of Kentucky, who has made a first-hand study of Russian conditions. A commission of this kind should restore normal relations in short order.

Mr. BLACK obtained the floor.

Mr. ROBINSON of Indiana. Mr. President, will the Senator permit me to make just one observation in reply to the Senator from Idaho?

Mr. BLACK. I am going to submit a request in reference to a bill in which the Senator from Indiana is very much interested, and which request I have every reason to believe will be granted. I sincerely hope that if possible we may take up and dispose of the motion to reconsider. It is a most interesting debate in which the Senator from Idaho and the Senator from Indiana have engaged, but I would like to submit the request and if possible have the debate limited to the motion to reconsider. I am sure, from information coming to me, that it will not take very long.

Mr. ROBINSON of Indiana. Will the Senator permit me to make just a short statement in response to what was said by the Senator from Idaho with reference to France?

Mr. BLACK. Of course, if the Senator insists, I shall do so, but I shall greatly appreciate it if he will let us proceed with the motion to reconsider. I am sure he will do anything in his power to further the cause of the bill to which the motion refers.

Mr. ROBINSON of Indiana. I am very much in sympathy with the Senator's bill, and I expect to do anything I can to assist him.

Mr. BLACK. Very well.

The PRESIDING OFFICER. Does the Senator from Alabama yield for the purpose indicated?

Mr. BLACK. I yield.

Mr. ROBINSON of Indiana. Mr. President, there is no analogy, as I see it, at all between the French Revolution and the Russian situation today. The French Revolution ran its course for a few years. Napoleon appeared and took the matter in hand and the ideals of the French Revolution disappeared instantly. Napoleon set up his own ideals which were far more conservative than those of any country in Europe. He undertook to set up a most conservative throne and found a most conservative dynasty and did everything he could to get the good will of the leaders of the various governments all over the world. He did not deliberately attempt by radical philosophy to undermine other governments. Then, of course, followed recognition, and then followed a system of official intercourse with other nations. Diplomatic relations were reestablished.

When Russia gets to the point where she is willing to look after her own business and permit America to attend to hers, to have the kind of government she wants in her own country and permit America to enjoy the kind of government Americans desire here, then I shall be willing to recognize officially that Government; but until that is done I shall not be willing.

Mr. BORAH. Mr. President, I am glad to know that some time or other the Senator from Indiana will consider recognition of Russia. The Senator calls attention to the fact that the French Revolution ran its course and Napoleon succeeded and that recognition was had, and so forth. May I invite the Senator's attention to the fact that when the debate took place between Pitt and Fox, Napoleon was then in charge of affairs and was Emperor of France.

Mr. ROBINSON of Indiana. Yes; and may I suggest to the Senator from Idaho that practically all the nations of Europe at one time had refused to sustain diplomatic relations with the French Emperor, both when he became First Consul and after he became the Emperor and had had himself crowned. Even then he was considered by Heaven's anointed on the thrones of Europe more or less as a parvenu among royalty, and they refused to recognize him and at heart continued their refusal until they had destroyed him. But he controlled practically all of Europe by the force of his sword.

Mr. BORAH. I must have misunderstood the Senator. I understood the Senator to say that after Napoleon came to the throne, England and other governments recognized the Government of France.

Mr. ROBINSON of Indiana. Mr. President, I thank the Senator from Alabama for yielding to me.

6-HOUR DAY AND 5-DAY WEEK—MOTION TO RECONSIDER

Mr. BLACK. Mr. President, I ask unanimous consent that the unfinished business may be temporarily laid aside and that the Senate proceed to consider the motion of the Senator from Florida [Mr. TRAMMELL] to reconsider the vote by which the 6-hour day and 5-day week bill was passed.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama?

Mr. McNARY. Withholding decision in the matter for the moment, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Kendrick	Reynolds
Ashurst	Costigan	Keyes	Robinson, Ark.
Austin	Couzens	La Follette	Robinson, Ind.
Bachman	Cutting	Lewis	Russell
Bailey	Dickinson	Logan	Schall
Bankhead	Dieterich	Loneragan	Sheppard
Barbour	Dill	Long	Shipstead
Barkley	Duffy	McAdoo	Smith
Black	Erickson	McCarran	Steiwer
Bone	Fess	McGill	Stephens
Borah	Fletcher	McKellar	Thomas, Okla.
Bratton	Frazier	McNary	Thomas, Utah
Brown	George	Metcalf	Townsend
Bulkley	Glass	Murphy	Trammell
Bulow	Goldsborough	Neely	Tydings
Byrd	Gore	Norbeck	Vandenberg
Byrnes	Hale	Norris	Van Nuys
Capper	Harrison	Nye	Wagner
Caraway	Hastings	Overton	Walcott
Carey	Hatfield	Patterson	Walsh
Clark	Hayden	Pittman	Wheeler
Connally	Johnson	Pope	White
Coolidge	Kean	Reed	

The PRESIDING OFFICER. Ninety-one Senators having answered to their names, a quorum is present. The question is the unanimous consent proposed by the Senator from Alabama [Mr. BLACK].

Mr. SMITH. Mr. President, I have made some inquiry, and I am informed that this motion would lead to such a lengthy debate and discussion that it would seriously delay the farm relief bill. Therefore—

Mr. BLACK. Mr. President, before the Senator makes that statement, may I ask him if he has learned who is going to indulge in any lengthy debate? I have been unable to do so. I should like to have the Record show the names of those who are against the 30 hour bill, and who are threatening, without letting it be known, to oppose it by long speeches.

Mr. TRAMMELL. Mr. President—

Mr. SMITH. I yield.

Mr. TRAMMELL. In view of the fact that I made the motion, I wish to repeat a statement that I made yesterday, in substance—that as far as I am concerned, there is not any great length of time desired, and I do not expect to speak more than 25 minutes longer on the motion.

Mr. BLACK. May I also say to the Senator from South Carolina that, in my judgment, there are two major relief measures that need to be passed. One of them is with reference to the agricultural situation and one of them is with reference to the industrial situation. I should like also to state that this afternoon, according to my information, the

Secretary of Labor is appearing before the Labor Committee of the House with reference to the particular bill referred to in the motion of the Senator from Florida. I have no reason to believe that it will not promptly receive consideration in the House. As a matter of fact, I have every reason to believe that it will. Realizing the fact that the farm relief bill can not possibly be passed for several days, it seems to me that it is of equal importance that this other bill, affecting the industrial workers, be passed upon. We can pass upon it and send it over to the House and obtain action.

Mr. SMITH. The Senator is going upon the assumption, I presume, that the chairman of the Agricultural Committee is not sympathetic with his bill.

Mr. BLACK. Oh, no; if the Senator will permit me—

Mr. SMITH. But I must insist that the farm bill has precedence in importance over every other. I hope that by tomorrow evening we can dispose of it. I hope so. I think every Senator here has practically made up his mind as to what he is going to do about the bill. So far as the labor proposition which the Senator from Alabama has in charge is concerned, it will not suffer greatly by a few days' delay, because it will pass again, as it passed before. Therefore I must insist that the regular order be carried out.

The PRESIDING OFFICER. Objection is made, and the regular order is demanded.

Mr. BLACK. Mr. President, I desire to make a few remarks with reference to the situation.

No one is more anxious than I am that we proceed with this farm-relief legislation. As a matter of fact, we have been here since 12 o'clock, and it has not received any discussion whatever. I agree fully with the Senator that when this motion for reconsideration is taken up the Senate will vote it down. I have no sort of question about that. I agree fully with the Senator that the speeches that are to be made, either by me or by anyone else, are not likely to have any effect with reference to the vote upon the matter. I think the Senate has its mind made up. It has developed that fact. I do think, however, that there is a deliberate under-cover effort—not on the part of the Senator from Florida—to delay action upon this motion for reconsideration. Of course, while that is being done, 150 to 200 telegrams per day are reaching Members of the House. I do not anticipate that even that will have any effect. In my judgment, the day has passed when the small group that formerly determined the type of legislation for the people of America any longer control. They are not going to control the matter in the House; and it will be discovered when the vote is taken that all of this attempted pressure with reference to this particular legislation will accomplish nothing.

Mr. President, I want it distinctly understood that insofar as the senior Senator from South Carolina [Mr. SMITH] is concerned, he is in favor of the bill. I understand the importance of the agricultural measure and the duty which devolves upon him to use every possible method to obtain its passage. I regret exceedingly that the objection was not permitted to come from those who have left the impression with the Senator from South Carolina that there are a lot of Senators over there who are ready to debate against this bill. I regret that they did not make the objection. I do not believe that they are there.

Mr. NORBECK. Mr. President, will the Senator yield?

Mr. SMITH. I yield to the Senator.

Mr. NORBECK. I just want to say that I was on the floor for the purpose of objecting at the time. I was not reached, however, because the Senator from Oregon [Mr. McNARY] did the objecting. I object solely to the setting aside of the agricultural bill. I should have no objection to voting on the Senator's bill if it could be done immediately; but I, for one, in my own name, want to object to displacing the agricultural bill.

Mr. BLACK. I understand that the Senator wants to object on that ground.

Mr. NORBECK. Yes.

Mr. BLACK. I fully appreciate that; but the regret I have is that the Senator does not leave the objection to be made by those who are not coming out in the open and making

the objection, but who are against the bill, and who are not objecting on account of the fact that they favor, as does the Senator, the farm bill.

Mr. NORBECK. I have assumed that one objection is sufficient, and I have made my objection.

Mr. BLACK. The Senator is correct.

Mr. NORBECK. I have no objection to getting a vote on the Senator's bill if we can get it soon, but I do not want the agricultural bill displaced. It is the most important thing before the country, and it has been kicked around now for 12 years, and I want to get a vote on it.

Mr. BLACK. I fully appreciate that, just as I do the position of the Senator from South Carolina. The Senator wants to go ahead with the farm bill, which is perfectly natural; and by reason of his long interest in agriculture, along with those others here, it is perfectly natural that he should feel that he wants the farm bill to proceed.

Mr. President, I now ask unanimous consent when the Senate meets tomorrow at 12 o'clock, without going through the formality of making a motion to adjourn, the Senate take up the 30 hour bill; that the pending measure be temporarily laid aside to enable the Senate to take it up tomorrow at 12 o'clock, and that we vote on the bill at 2 o'clock, and that no Senator be permitted to speak more than once or longer than 25 minutes.

The PRESIDING OFFICER (Mr. COPELAND in the chair). Is there objection?

Mr. NORBECK. Mr. President, does the Senator make that proposal conditional on the farm bill having been passed in the meanwhile? If he does, I have no objection.

Mr. BLACK. I may state to the Senator that I am making the proposal on the theory that we could move to adjourn and have 2 hours to take up the 30 hour bill tomorrow morning.

Mr. NORBECK. No; I object.

The PRESIDING OFFICER. Objection has been made.

Mr. BLACK. Mr. President, if for any reason I am out of the Chamber when a motion to recess is made, I desire to request of those who are here that a quorum may be called, in order that I may be here to move that the Senate adjourn.

RELIEF OF AGRICULTURE

The Senate resumed consideration of the bill (H.R. 3835) to relieve the existing national economic emergency by increasing agricultural purchasing power.

The PRESIDING OFFICER. The question is on the amendment on page 25 of the bill.

Mr. McNARY. Is that Part 3, Cost of Production?

The PRESIDING OFFICER. Yes.

Mr. McNARY. I think we should have a quorum, and I suggest the absence of one.

Mr. SMITH. I did not hear the statement of the Senator from Oregon.

Mr. McNARY. When part 3 was reached last evening, on account of its importance and the time given to it by the committee, I suggested that it go over until today. There are a number of Senators who, I know, desire to be here. I therefore suggest the absence of a quorum.

Mr. SMITH. I concur in the suggestion.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Carey	Gore	McNary
Ashurst	Clark	Hale	Metcalf
Austin	Connally	Harrison	Murphy
Bachman	Coolidge	Hastings	Neely
Bailey	Copeland	Hatfield	Norbeck
Bankhead	Costigan	Hayden	Norris
Barbour	Couzens	Johnson	Nye
Barkley	Cutting	Kean	Overton
Black	Dickinson	Kendrick	Patterson
Bone	Dieterich	Keyes	Pittman
Borah	Dill	La Follette	Pope
Bratton	Duffy	Lewis	Reed
Brown	Erickson	Logan	Reynolds
Bulkley	Fess	Lonergan	Robinson, Ark.
Bulow	Fletcher	Long	Robinson, Ind.
Byrd	Frazier	McAdoo	Russell
Byrnes	George	McCarran	Schall
Capper	Glass	McGill	Sheppard
Caraway	Goldsborough	McKellar	Shipstead

Smith	Thomas, Utah	Vandenberg	Walsh
Steinwer	Townsend	Van Nuys	Wheeler
Stephens	Trammell	Wagner	White
Thomas, Okla.	Tydings	Walcott	

The PRESIDING OFFICER. Ninety-one Senators having answered to their names, there is a quorum present.

The question is on the amendment on page 25 of the bill.

Mr. GEORGE. Mr. President, as I understand it, we have reached part 3 of the bill.

Mr. SMITH. Part 3, on page 25.

Mr. GEORGE. I should like to ask the chairman of the committee this question: This committee amendment had its origin in the committee alone as a part of the general scheme of the bill, which has had the approval of the Secretary of Agriculture?

Mr. SMITH. This provision was incorporated in the bill by the committee alone, and I should like to have the senior Senator from Nebraska [Mr. NORRIS] explain the amendment to the Senate, as he really is the author of it. It was offered by him and accepted by the committee. So I should like to have the Senator from Nebraska explain the situation.

Mr. NORRIS. Mr. President, the principle involved in this amendment is not new. It has been one of the subjects of consideration and discussion in the Committee on Agriculture and Forestry and in the Senate on several occasions for quite a number of years.

The bill in its general purpose gives broad powers to the Secretary of Agriculture, providing that he shall have the authority to follow certain lines set out in the bill. Provision for a processing tax has been included in the bill, under which the Secretary of Agriculture and the Secretary of the Treasury would have control. The assessing of the tax is provided for, the tax to be levied upon the processor, with the idea of getting to the producer, the farmer, a price which, under existing conditions, would buy as much as the same amount of commodity would have purchased during the year that is set aside as the base period.

There is a great similarity between that provision and the one now under consideration, and the committee decided to add to the authority by setting up this plan, which the Secretary could use the same as he could the other. He could apply one plan to one commodity to which he thought it had particular application, and another plan to a different commodity. I presume he could apply a plan in one section of the country different from what he would use in another section of the country in relation to the same commodity. His authority would be almost unlimited.

Instead of trying to reach the base period by getting the price up to what it was in that period, so far as its ability to purchase commodities is concerned, it provides for the cost of production to the farmer who produces the article.

Suppose we apply it to wheat. The Secretary would ascertain the cost of production from the reports and statistics in his office and make an estimate as to the probable amount of domestic consumption of wheat. Having the figures as to the total amount produced, he would be able to deduct one from the other and find the amount that would have to be exported; in other words, the amount that could not be consumed in this country. This provision would give him authority to give to the farmer cost of production for that part of the product that is consumed in the United States.

Mr. President, briefly, that is the object of the whole thing. It can be carried out, in my judgment, by the employment of as small a number of men as under any other plan in the bill. The Secretary would carry out the provision, very likely, by licensing the dealers—using wheat again for an illustration, the elevator men. The elevator man would take the cost of production fixed by the Secretary of Agriculture in his proclamation for that part of the product brought to him that would be for home consumption. The balance would be sold just as it is now, controlled and handled, probably, in the same way it is controlled and handled now.

Let us say that the Secretary, in his estimate, found that the total production of wheat for the year under consideration would be 800,000,000 bushels, and that his estimate showed that there would be domestically consumed and

kept for seed 600,000,000 bushels. That would mean that 200,000,000 bushels would have to be exported. If a man brought to the elevator a thousand bushels of wheat, the elevator would be required to pay him the cost of production, as it had been settled by the Secretary of Agriculture, for 750 bushels, and the balance they could settle among themselves. The price probably would be fixed by the world market price, just as it is now.

As to the machinery for carrying out the measure, the Secretary of Agriculture, as he would under all the other parts of the program, would have almost unlimited authority to arrange matters. I think that, in a nutshell, tells just what the object is.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. VANDENBERG. Would it be fair to say that both of these schemes are essentially price-fixing schemes, but that the formula to which the Senator now addresses himself goes straight to the mark, avoids all necessity for a taxing system in order to make it work, avoids all necessity for a complicated system of administration and supervision, and is a straight short cut to the objective which the other part of the bill pretends to reach?

Mr. NORRIS. Yes; I think that is a fair statement of it.

Mr. GEORGE. Mr. President, will the Senator yield to me?

Mr. NORRIS. I yield.

Mr. GEORGE. Mr. President, I observe from a reading of the bill, and from the Senator's explanation, that the provisions in this part apply to local or intrastate purchases, as well as to interstate purchases.

Mr. NORRIS. My idea would be that he would take care of that with his regulations.

Mr. GEORGE. There seems to be no distinction made in the measure.

Mr. NORRIS. Probably not. I was here and listened to the inquiry propounded yesterday to the Senator from South Carolina by the Senator from Kentucky. It occurred to me that the difficulty, if it were a difficulty, would be easily handled by the Secretary of Agriculture. If the bill does need amendment in that respect, certainly it ought to be amended. I should not like to compel the Secretary in making his regulations to go as far as indicated in the illustration used by the Senator from Kentucky yesterday, so that if one farmer sold another one a plug of tobacco he might find himself liable for a penalty under this proposed law.

The suggestion was also made to me today by one of the Senators here that the penalty probably is too severe, and I was rather impressed with the suggestion that it ought to be a civil penalty, rather than a criminal penalty. As far as I am concerned, all I am interested in is having the power vested, and the penalty sufficiently strong so that it will bring about an acquiescence in the act.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. AUSTIN. I should like to ask if there is anything anywhere in this amendment which would exclude an international purchase. That is to say, suppose a processor of feed for cattle should purchase the raw material just north of the Canadian line, say a mile and a half or so from his plant. Must he also be held a criminal for entering into that contract, if he pays a smaller price than that fixed by the Secretary of Agriculture?

Mr. NORRIS. Mr. President, he may pay a larger price if he wants to, but he ought to pay at least the price fixed by the Secretary of Agriculture. If we are to make the bill effective we cannot put anything into it or anything in the regulations that would enable two men to contract for a lesser price for that part of the product that is to be consumed domestically. If we do that, we will have nullified the law.

I realize that it is a severe method of dealing with the situation. I realize that all of these plans are severe, and I can imagine hardships that would come here or there. I can imagine many difficulties that would come in the ad-

ministration of the law. Some of them, as to some commodities, would be insurmountable. After all, no man can tell how any of these plans, if put into effect on any particular commodity, is going to work.

We might just as well face the truth and realize that we are not dealing with certainties. We are to a great extent performing an experiment. We are confronted with the fact that the farmer is producing the food we eat and the products from which the clothes we wear are made at a financial loss to himself, and has been doing so for quite a number of years, and it is only recently that the rich and the poor alike, the man in the city as well as the man in the country, have begun to realize that that is true. They are confronted with the fact that we cannot go on indefinitely in this way and live. Our country must fail, our very civilization cannot exist, if the farmers of the country, who represent the foundation stone of our temple of prosperity, cannot get cost of production. We are all realizing that, and we are all anxious to give it to the farmer. Things have gone very far, however. Nobody has heeded the voices which have been crying out for 10 years calling attention to the fact that we are rapidly approaching that kind of a condition. Now we realize it. Everybody concedes it; and every man, whatever may be his walk in life, is anxious, I think, honestly and conscientiously anxious, to remedy the situation. We disagree about how we should go about it, and if we are fair in our hearts with ourselves we must realize that no man absolutely knows what to do. There is no mathematical demonstration that can be given. Yet we are confronted with the condition; and, as honest men, as conscientious men, we have to take our chances. It is necessary that we should delegate some powers to someone to deal with conditions as to which we cannot state in advance what they are going to be and as to which, therefore, we cannot legislate. We have got to do this in order to give to the producers of the food which we eat a price equal to the cost of production and so save our country and our civilization.

Mr. FESS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Ohio?

Mr. NORRIS. I yield to the Senator from Ohio.

Mr. FESS. There is a practical difficulty about this particular section of the bill which I should like to have the Senator explain and to indicate. I desire to know how it may be surmounted. Nearly every agricultural commodity will be embraced in this legislation, and as to many such commodities there will be a first grade, a second grade, and a third grade. Take hogs. There will be in one litter high-grade pigs and also runts. It costs as much, if not more, to develop the second grade, the runts, as it does the first grade; indeed, I think it costs more. The difficulty arises when we consider whether the sale of the lower or more costly grade to produce can be made on the cost-of-production basis.

Mr. NORRIS. The Senator from Ohio has presented a question that is difficult to answer. In answer I am going to take something different from hogs.

Mr. FESS. The Senator from Nebraska may select anything else.

Mr. NORRIS. I want to say to the Senator that if I were Secretary of Agriculture and were called upon to put the proposed legislation into effect, I never would start with hogs. I was one member of the committee who wanted to strike out every basic agricultural product except wheat and cotton.

Mr. FESS. That ought to have been done.

Mr. NORRIS. I think it ought to have been done, but we were not able to do it. I was impressed with the desire of the Secretary of Agriculture to keep hogs and corn in; he wanted them kept in, and said so. I have no objection to keeping them in and letting the Secretary try it, though I doubt very much, I will say to the Senator from Ohio, whether in the case of hogs he could make this plan work. Personally I agree with the Senator and think he has presented a question that is very difficult to answer, and, so far as I am concerned, I cannot answer. However, if he were

to select wheat, then I could answer it. There are different grades of wheat, as there are of hogs.

Mr. FESS. Very well; I should like to have the Senator from Nebraska answer my question in its application to wheat.

Mr. NORRIS. When we fixed the price of wheat during the World War, we fixed it for a certain grade at a certain market, all other grades bearing their certain relationship to the grade the price of which we fixed. Under this bill the Secretary of Agriculture would, by his regulations, I should think, fix the price for a certain grade of wheat, assuming that he is going to apply it to wheat. He does not have to apply it to anything, if he does not want to, nor does he have to apply it to hogs or to corn. He could pick out whatever commodities he desired to make the application to. If he should select, in the case of wheat, Hard No. 1 Northern or No. 2, all the wheat better than that or lower than that in grade would bear a certain fixed relation to the standard fixed. So the price would go below or above the standard fixed, as the case might be. I do not think there will be much difficulty about fixing that. We had to fix it during the war, and we fixed it by regulation which controlled the price of wheat. I concede that in the case of some of the other commodities it would seem to me it would be impossible to make the plan work; but if I were Secretary of Agriculture, I would try it on the commodities which I believed were the easiest to handle, because, God knows, it is going to be difficult to operate the plan as to any of them.

Mr. FESS. I desire to ask the Senator another question, if he will permit me. I cannot see how the Secretary could enforce that feature which makes the plan applicable only to that portion of commodities which are domestically consumed, though the Senator, I think, gave the illustration of that a moment ago. If a farmer raised 600 bushels of wheat and sold it to a miller, and we proceed on the assumption that there will be consumed 600,000,000 bushels and that there will be produced 800,000,000, we will consume three fourths of the domestic production at home.

Mr. NORRIS. Yes.

Mr. FESS. Then the miller would pay the tax on only three fourths of the 600 bushels, or on 450 bushels.

Mr. NORRIS. That is just as is now provided; there is no change made in that respect.

Mr. FESS. So that clears up the question as to just how that would operate.

Mr. NORRIS. I call the attention of the Senator to the fact that, as the Senator from Michigan has so well stated, that compared with the other plans, this provides quite a simple method of reaching the result.

Mr. FESS. It is the feature as to pricefixing which disturbs me, outside of the general opposition to the Government's going into this field.

Mr. NORRIS. It also disturbs me, but I will say to the Senator from Ohio that we shall, I think, have to give up some of the notions which we entertain; we shall have to surrender some of our cherished opinions. We are confronted with a predicament that never before confronted the world, and many of us have got to compromise with the ideas we have held during our entire lifetime and which have become a part of our make-up and our system. That is the reason, it seems to me, why we are justified in affording to the Secretary of Agriculture as many methods which he may try as can show any prospect of being successful. The Secretary of Agriculture can apply part 3 to wheat if he so wishes; he can take part 2 and apply it to hogs; and he can take another part and apply it to cotton if he so desires. He will find that some of the remedies proposed are more easily applied to some particular commodities than they are to others, and that to some they cannot be applied at all.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. NORRIS. I yield to the Senator from Minnesota.

Mr. SHIPSTEAD. To the best of my knowledge, the most serious objection to this provision of the bill comes from those who claim that it is impossible to find a basis upon which to determine the cost of production. They say that the cost of production cannot be ascertained. I

wish to call attention to the principle underlying the present tariff act and to all other tariff acts in the history of the American system of protection. The slogan has been the difference in cost of production at home and abroad. If we can determine the cost of production for the purposes of tariff making, which must be done if we are going to base the rate of duty on the difference in the cost of production at home and abroad, we must know the cost of production not only at home but also know the cost of production abroad; and I beg to submit that, if we can do that for the purpose of tariff making, we can do it also for the purpose of price fixing. I thank the Senator.

Mr. NORRIS. Mr. President, I thank the Senator from Minnesota. Perhaps I ought to say a word about the cost of production. Again we are confronting a field that we cannot define definitely or mathematically, and we might just as well reach that conclusion to begin with and not deceive ourselves. No man, no set of men, can hope to be mathematically correct when they undertake to fix the cost of production. I realize that of itself is a different thing. It will be necessary for compromises to be made, and when that is done the result will not be mathematically correct.

Mr. SMITH. Mr. President—

Mr. NORRIS. I will yield in just a moment. But we hope the Secretary of Agriculture, who we all know is moved by the highest and the best motives, will do the best he can under the very difficult situation. I now yield to the Senator from South Carolina.

Mr. SMITH. Mr. President, may I suggest to the Senator from Nebraska that if the farmer does not obtain the cost of production, and do it pretty soon, it will only postpone the inevitable ultimate bankruptcy and extinction of the farmer. That is axiomatic. If he gets less for what he produces and sells than it costs to produce it, his business, like every other business in the world, cannot live and exist under such conditions. I do not believe, if the Senator will allow me further, that there is any difficulty in ascertaining the average cost of production of our staple agricultural commodities, such as wheat, corn, and cotton. They are subject to a more reasonable approach to the cost of production than a great many manufactured articles which are produced more or less as byproducts in connection with the articles of principal manufacture. I do not think there is any difficulty here at all. I think the Senator from Minnesota [Mr. SHIPSTEAD] has suggested an idea that makes it absurd to think that we cannot determine the cost of production of wheat, for instance, when we have already put a tariff on wheat based on that determination. The tariff on wheat was adjusted to measure the difference between the cost of production at home and abroad, and it seems to me that it is imperatively necessary that the farmer should now obtain at least the cost of production.

Mr. NORRIS. I agree with the Senator that that is imperatively necessary. Yet, of course, even in tariff matters, it is impossible to determine mathematically to a cent the cost of producing any manufactured article. The cost varies in different parts of the country.

Mr. WALSH. Depending upon the efficiency of the producer.

Mr. NORRIS. Absolutely. It is necessary to take into consideration a number of items.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. NORRIS. I will yield in just a moment. But we are confronting the fact here, as in the case the Senator mentioned, that we must approximate. We must not, Mr. President, expect perfection. If we do, we are going to be disappointed. We all ought to realize that the Secretary of Agriculture in executing this bill will be confronted with the most difficult task that has ever faced a public official and that he will undoubtedly make mistakes; he would not be human if he did not do so. He will do many things differently from how I would do them or from how the Senator from Michigan would do them, but we must permit him to do the best that he can and satisfy his own conscience and his own judgment. When he fixes, for instance—if he

applies it to wheat—the cost of production of wheat, there will be some farmers for whom the cost of production thus fixed will be too high, and there will be others for whom it will be too low. It will be an arbitrary determination of an impossible situation. Somebody, however, must determine it; it must be determined, for everyone now concedes we cannot go on unless the farmer gets the cost of production. I now yield to the Senator from Minnesota.

Mr. SHIPSTEAD. Mr. President, I want to make clear that I agree with the Senator from Nebraska as to the difficulty of mathematically and correctly determining the average cost of production of any given commodity. I want to make it clear that I agree with him as to that, but we have fixed the cost of production; we ascertained it for the purpose of tariff making in the case of wheat, for instance, in 1924. No one will claim that we found the actual mathematical cost of production, but we did find the cost of production for the purpose of tariff making. If we now take the position that we cannot find on the same basis the cost of production for the purpose of price fixing, then the foundation of our whole tariff structure, based upon the difference of cost of production at home and abroad, vanishes and has nothing on which to stand.

Mr. NORRIS. I thank the Senator.

Mr. VANDENBERG. Mr. President—

Mr. NORRIS. I yield to the Senator from Michigan.

Mr. VANDENBERG. And I think the Senator may add that any calculations respecting the cost of production under this section of the bill are relatively a kindergarten problem compared to the difficulties under the other sections of the bill; and therefore if there is a justification for the other sections, there certainly is for this section.

Mr. NORRIS. I agree with the Senator. This, in my opinion, would be the easiest plan laid out in the bill for the Secretary to follow. I realize when I say that, that other men, just as able and conscientious as I, have reached a different conclusion, but I have no hesitancy in saying that so far as simplicity is concerned this plan is away above and beyond any of the others so far as I am able to analyze it.

Mr. President, unless there are other questions, I have nothing more to say. I should like to hasten action on the bill as much as possible.

Mr. VANDENBERG. Mr. President, I want to make this supplementary observation to the remarks that have been submitted by the able Senator from Nebraska [Mr. NORRIS]: I am ready for new experiments to seek a way out of agriculture's troubles. I agree that agriculture's emancipation is prerequisite to America's recapture of prosperity. But we are warned by costly experience that it takes more than legislative sympathy and good will to produce actual farm aid. I have never been one of those who thought this problem could be settled by price fixing, and I do not think so now. I have never been able thus far to escape the conviction that price fixing has been a tragic failure in connection with cotton in Egypt, cattle in the Argentina, rubber in Brazil, nitrates in Chile, sugar in Cuba, coffee in Brazil, silk in Japan, and vegetables in Germany. I realize that in those instances an international situation usually was concerned, while here we are undertaking to deal with the problem within our own confines. But I have never been persuaded that we could accomplish this economic result by the formula of price fixing. I think it promises more harm than good. However, if an effort at price fixing is to be made, in spite of the opposition of those of us who do not believe in it, I know of no reason why it should not be made in the open and frankly as such.

It seems to me that the first sections of the bill under the Wallace-Tugwell-Ezekiel allotment formula constitute price-fixing and nothing else, only it is dressed up with much tortuous camouflage—I am not speaking invidiously—and it has within it the necessity for the collection of a far-flung sales tax and the necessity for a tremendous administrative system to operate it. It has within it many nebulous calculations as to what the mystifying factors are and what the net results are to be. But finally it appears to make a

dictator out of the Secretary of Agriculture and to license him to order restraints upon the liberty of action of millions of farmers and to order sales taxes upon the food and clothing of other millions of our citizens—all according to some abstruse calculations which defy present illumination.

I have sat here for 2 days and tried conscientiously to discover precisely how the plan works. I could only come to the conclusion that when we mix Ph.D.'s and R.F.D.'s we are in trouble. When we are all done, however, with the Wallace-Tugwell-Ezekiel parity formula we have fixed a price. I do not think any of us know precisely how it is to be done, nor what the actual net result is to be, nor what is to happen either to the farmer or the Treasury or the consumer as a result, but we have fixed a price. The consumer will pay a minimum of $1\frac{1}{2}$ billions as a result.

I submit that if we are to proceed with price fixing, it would be infinitely better to proceed under the terms of this simpler and more direct part of the bill, because here there is no need for an enormous administrative machine by way of tax collecting. Here there is precious little uncertainty as to what the fixed price, which, by the way, will be an adequate price, is going to be and how it is going to be achieved. There is certainly less uncertainty in this section of the bill than there is in the other sections. I do not refer to the mortgage-relief sections which I heartily favor. I refer to the price-fixing sections. It seems to me if we are to undertake price fixing, the Simpson plan, or the Clair plan, or whatever we may call it, the plan in part 3 of the bill has a thousand times more persuasive credentials than the prior section of the bill.

The prior section of the bill appeals to me precisely as some of the prior farm legislative experiments evidently appealed to the present President of the United States when he made his famous Columbus speech last fall, his famous "Alice in Wonderland" speech, from which I recall a sentence in which he sarcastically referred to the fact that Alice had been "peering into the wonderful looking glass of new economies." I think that is exactly what Alice is peering into this afternoon. When she peers into the first section of this bill, she is peering into one of the strangest medleys of mathematics, necromancy, and logarithms of which I know. Nobody knows the definite answer.

Under part 3 of the bill, if we are going to undertake price fixing, here is a clean-cut, straight shot at the target. It hits the target and it wastes no time. It will kill or cure. There is no lost motion. There is no great and burdensome bureaucracy necessary as a by-product. It is simple and direct, and, furthermore, it is calculated to produce a more substantial farm advantage than any other previous section. If the bill is going to pass and if the administration is going to try price fixing, which I frankly say I regret, I am sincerely sorry that part III seems to be here only by sufferance and that, as the able Senator from Alabama [Mr. BANKHEAD] said to me the other day, the Secretary of Agriculture does not believe in it and has not wanted it in the bill and that, therefore, it probably means little or nothing even though it is in the bill. I regret that fact.

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Nebraska?

Mr. VANDENBERG. Certainly.

Mr. NORRIS. May I suggest to the Senator that while I am not speaking with knowledge, yet in my opinion the statement is not warranted that the Secretary of Agriculture does not want this provision in the bill or is opposed to it. He has not said he wants it, but I do not believe the Secretary of Agriculture is opposed to this particular provision of the bill. He talked quite frankly about it.

Mr. SMITH. Mr. President, did the Senator from Nebraska get any impression from anything said before the committee that the Secretary is opposed to it?

Mr. NORRIS. I did not.

Mr. BANKHEAD. Mr. President, if the Senator from Michigan will yield, I shall be glad to send to the desk and have read a statement which Secretary Wallace has sent to me.

Mr. VANDENBERG. Let it be read, Mr. President.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The legislative clerk read as follows:

COST OF PRODUCTION AND FAIR EXCHANGE VALUE

I find there is much misunderstanding about the meaning of the terms "cost of production" and "fair exchange value" as used in this bill. Cost of production means so many different things to different people. There are some who today say that the cost of producing a bushel of wheat is \$1.50, whereas others say that it is only 40 cents, and perhaps both are right.

The Department of Agriculture in June of 1932 published figures indicating that for the year 1931, the cost of producing a bushel of wheat in the United States was 81 cents. This figure was an average of 2,930 individual farm reports, and, undoubtedly, some of these farmers reported average costs of more than \$2 a bushel, whereas others reported costs of less than 40 cents. The question I would raise is, "Is it fair to take the average cost?" If so, let us project this figure of 81 cents for 1931 into the present situation.

Land values and labor values today are both less than three fourths of what they were in 1931. If the yield this year were the same as in 1931, it is probable that the methods employed by the United States Department of Agriculture would give the cost of producing wheat in 1933 as very little more than 60 cents a bushel.

Figuring the cost of producing cotton in the same way, we get for the year 1933, assuming an average crop, a cost of around 8 cents a pound. In like manner with hogs—if we assume the cost of corn at 20 cents a bushel, man labor at 15 cents an hour, and horse labor at 10 cents an hour—we get a cost per hundred-weight, according to competent authorities, of around \$2.65 a hundred. These figures, as just cited, are cost of production according to the definition as hitherto customarily employed in the Department of Agriculture.

Frankly, I believe that cost of production, when used as a measuring stick under conditions as they exist today, might do a very real injustice to the farmer. Cost of production, in the sense in which it is ordinarily used, is likely to have written into it a terribly deflated land charge, man labor at 15 cents or less per hour, and horse labor based on unfairly low-priced corn, oats, and hay. The cost of producing hogs which I have given above illustrates what I mean. Everyone knows that if the farmer grows the corn which he feeds to his hogs, it is impossible to produce hogs at \$2.65 a hundred. If the farmer buys his corn, however, it may be possible. How can you distinguish between the farmer who grows the corn which he feeds his hogs and the farmer who buys his corn?

Secretary Wallace in 1920, in his book, *Agricultural Prices*, wrote as follows concerning the theory of cost of production and ratio price:

"Those who have given the most thought to price fixing advocate as a guide 'cost of production plus a reasonable profit.' But what is cost of production? Even in industries so well controlled by man as coal mining, where the weather does not enter in, there are some mines that can produce a ton of coal for two or three dollars, while other mines cannot produce a ton of coal for less than six or seven dollars. The North Dakota wheat farmer, in a year of rust, may produce wheat at a cost of 4 or 5 dollars a bushel, whereas the Kansas farmer the same year may produce wheat at a cost of only a dollar or a dollar and a half per bushel. Shall both the Dakota farmer and the Kansas farmer be paid cost of production plus a reasonable profit for their wheat? From this standpoint we see that there is no such thing as a standard cost of production. A single producer may be able to determine his personal cost of production of a given quantity under a given set of conditions. But in the general sense, as it is commonly thought of, cost of production is a will-o'-the-wisp, a creature that seems to exist but really does not.

"Nevertheless, there is a rough-and-ready method of determining cost of production or just price as distinguished from laissez faire or supply-and-demand price. We refer to the ratio method of price determination. Over a long series of years, cost of production plus a reasonable profit is roughly expressed by the relationship which exists between a raw product and the finished product. In rough form it may be most easily grasped in the case of corn and hogs. Over any long period of years, hogs sell on the Chicago market at a price per hundredweight equal to the Chicago price of 11.5 bushels of corn. When hogs have sold for 14 bushels of corn, they have sold for more than cost of production plus a reasonable profit, while, on the other hand, when they have sold for 9 bushels of corn, they have sold for less than cost of production plus a reasonable profit. All this is not saying that certain producers have not been able to make a profit when hogs have sold for 9 bushels of corn. Neither is it saying that certain producers may not have been selling at a loss when hogs sold for as much as 14 bushels of corn. It is simply saying that it has required the pulling power of a price for hogs which is equal to the price of 11.5 bushels of corn to keep enough men in the hog business year in and year out to supply the demand of this country for hog products during the past 60 years. This is what we mean by the ratio method of price determination. It is the only practical method of determining cost of production in such a business as farming, where there are millions of producers working under a variety of conditions."

The ratio price as described by Secretary Wallace is similar in philosophy to "fair exchange value", as described in this bill. The difference is that fair exchange value concerns itself with a ratio between the price of certain basic agricultural products and the price of things which farmers buy. Secretary Wallace said in the statement which I have just quoted, "It has required the pulling power of a price for hogs which is equal to the price of 11.5 bushels of corn to keep enough men in the hog business year in and year out to supply the demand of this country for hog products during the past 60 years."

In like manner, I say that in the long run there must be paid a fair exchange value for farm products in order to result in the production of enough food to keep people from starving to death in this country. I make this statement advisedly, realizing that a whole generation of farmers may produce food for far less than a fair exchange value before they and their children finally give up in despair. We do not wish the answer of brute nature red in claw and fang. To avoid such an outcome, we want to get true cost of production to our farmers as rapidly as conditions will permit. That is the object of this bill. I believe the true "cost of production" is "fair exchange value" as defined in this bill. Frankly, I am afraid of the term "cost of production" as used in part 3 of this bill. It is too elusive; there are too many kinds of cost of production. It would be possible for a Secretary of Agriculture equipped with one set of prejudices to do a grave injustice in this part of the bill to the farmers, whereas another Secretary of Agriculture, with a different set of prejudices, might do a grave injustice to the consumers.

What we want is the conception of a just price which maintains an even balance between producers and consumers. Fair exchange value, as defined in part 2 of this bill, is a mathematical effort to define such just price. I am willing to admit, of course, that the price ratio between the things which farmers sold in the pre-war period and the things which farmers bought may not necessarily represent in all particulars a fair exchange value today. It may be said on the one hand that the use of combines today makes it possible to produce wheat for a somewhat lower price than fair exchange value calculated in this way would indicate. On the other hand, it may be said that the impoverishment of our soil which has taken place may render necessary an increased use of fertilizer which would cause the true fair exchange value to vary in the opposite direction.

These niceties of ratio-price determination cannot be gone into in a time of emergency like this. I believe that the fair exchange value as set forth in this bill approximates very closely to true cost of production and that it is essentially much closer to true cost of production than the figures printed annually by the United States Department of Agriculture. These figures, unfortunately, have written into them the depression in land values and hired farm labor of the year preceding. They have written into them the results of the unbalanced situation which has been with us so long. We are now striving for a state of true balance, and the concept of the fair exchange value will help us to realize that state.

Mr. VANDENBERG. Mr. President, may I inquire of the Senator from Alabama who is the author of this treatise which has just been read? No name was announced at the desk.

Mr. BANKHEAD. It is a statement that has been sent up, written by Secretary Wallace.

Mr. VANDENBERG. This is Secretary Wallace's statement?

Mr. BANKHEAD. Yes, sir.

Mr. VANDENBERG. Mr. President, I say sincerely that I have profound respect for Secretary Wallace and his good faith and his earnest dedication to this perplexing problem, and I am in no position—and it would be absurd to pretend to be—to discuss even the outside rim of the technicalities which he has submitted in this very interesting discussion. But so far as I am concerned the proposition continues to be complicated confusion and nothing else.

Mr. LONG. Mr. President—

Mr. VANDENBERG. I yield to the Senator from Louisiana.

Mr. LONG. What has become of Mordecai in this matter?

Mr. VANDENBERG. Mr. President, Dr. Mordecai Ezekiel is the logarithms expert, and this discussion is a bit broader.

I submit that every reference in the letter just read at the desk to the difficulties and the complications involved in the application in the cost-of-production plan applies even more emphatically to the Wallace-Tugwell-Ezekiel formula, and that just as the cost-of-production formula appears to be inscrutable to the Secretary, so the Secretary and his medley of assistants have sent us a formula which is equally inscrutable to us. No Senator has yet reduced it to comprehensible terms.

Mr. BARKLEY. Mr. President—

Mr. VANDENBERG. I yield to the Senator from Kentucky.

Mr. BARKLEY. Is there not this difference: In the previous sections of the bill there is a definite yardstick by which the Secretary may determine, in the base period of 1909-14, the average price of farm products and their relationship to purchasing power during the same period, and it is a rather simple mathematical process to determine the difference between the average of that period and the actual price brought to the farmer of any products covered in this bill, whereas in the amendment which has been put in the bill by the committee there is no yardstick. There is no period which is regarded as the base period. The cost of production to be arrived at by the Secretary of Agriculture, and thereafter proclaimed, must be a variable yardstick. It must apply to each crop each year, and to all types of each crop each year.

Is there not considerably more difficulty in arriving at an average cost of production, for instance, we will say, of tobacco, where there are some 45 or 50 different types, each of them bringing a different price, each of them depending upon different circumstances for its market, than in fixing a general average over a period of 4 or 5 years, and then using that as the yardstick for future calculations?

Mr. VANDENBERG. Mr. President, the Senator suggests that under the Wallace-Tugwell-Ezekiel formula there is a definite, dependable yardstick. Let us see. I submit to the Senator that this is the definition of his dependable yardstick—and I am now quoting the able chairman of the Senate committee, who described the sales tax which is to be applied to the food and clothing of the Nation under the so-called "dependable" yardstick to which the Senator refers. I am now quoting the able chairman of the committee as he submitted his report, and this is his definition of the tax:

It shall be such a tax as shall raise farm prices to the average parity of farm prices between 1909 and 1914, but the tax shall apply only to that portion of the crop domestically consumed, and it will be so graduated as to find out just what the consumer will take at the advanced price, and just what effect the raise of the price on one commodity may have on something that would be substituted, and what the general consuming public would be able to take at the advanced price.

Is that a fixed and dependable yardstick?

Mr. BARKLEY. Well, it might be; but if we are going to draw an analogy between that and the section now under consideration, we ought to say, "And if anybody buys any of it at less than the average price, he will be put in the penitentiary or fined a thousand dollars."

Mr. NORRIS. Mr. President—

Mr. VANDENBERG. I yield to the Senator.

Mr. NORRIS. I should like to make a suggestion to the Senator from Kentucky. He is complaining about this yardstick's not being dependable. In my judgment, it is much more dependable and will come much nearer applying to any particular circumstances than any other portion of the bill.

Every year there will be an estimate made of the total production of wheat, for instance. Every year there will be an estimate made of the total amount that will be consumed domestically, and every year there will be an estimate made as to what it cost to produce it. Under the other system of your dependable yardstick you might have several years to take into consideration. It seems to me you will come nearer getting down to getting the cost of production at the particular time when the stuff is produced under this amendment than under any other section of the bill.

Mr. BARKLEY. Mr. President, if the Senator will yield further there—

Mr. VANDENBERG. Briefly.

Mr. BARKLEY. The first part of this bill has nothing to do with the cost of production. The average price for the period from 1909 to 1914 takes no account whatever of cost of production. The bill deals with that period as a basis from which to start, and that basis is the average price to the farmer during that 4- or 5-year period—

Mr. SHIPSTEAD. O Mr. President—

Mr. BARKLEY. Calculated in connection with its relative purchasing power during the same period. The question of cost of production does not enter into either one of those equations.

Mr. SMITH. Mr. President—

Mr. VANDENBERG. I think I shall reclaim the floor to conclude briefly these observations that I was submitting. I had no intention of a prolonged discussion of the matter.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. SMITH. Will the Senator allow me to say just one sentence right there?

Mr. VANDENBERG. I yield to the chairman of the committee for one sentence.

Mr. SMITH. The object of the allotment plan is to bring the purchasing power of farm products up to and equal to what it costs the farmer to buy, and that is fixing the price.

Mr. VANDENBERG. Mr. President, I say in conclusion, as I said in the beginning, that it seems to me that if we are to proceed into an adventure in price fixing—which, I repeat, has never persuaded me that it could or would succeed—if we are to proceed into it, I should prefer to proceed frankly under part 3 as submitted and explained by the able Senator from Nebraska, and the reasons are perfectly plain and simple.

The plan at least promises to be more favorable to the farmers in respect to the price to be fixed. The plan is shorn of all needless and costly machinery. It is direct action. It requires no army of inquisitors and tax gatherers and crystal gazers in order to find out what it means and then to administer it. Ultimately it involves no new-born bureaucracy with a lot of cornfield czars in order to make it work. I think it is the simple, direct formula for price fixing, if that is what this Congress is determined to do. I shall vote for a substitute and, I believe, better bill. But I certainly shall vote to keep this cost-of-production section in the present bill, if it is to become the farmer's price-fixing formula. Then, at least, agriculture will be less in need of Einstein to help it thread the maze, and Senators will not require a caucus in order to find the answer to a question or an interpretation.

Mr. LONG. Mr. President, the Senator from Michigan is in error about crystal gazing and various other formulas and theories and methods of arriving at this result. It has been computed by well-defined logarithms. They have been ordered printed in the RECORD; and if the Senator has not read them it is simply because he has not taken the time to acquaint himself with the subject matter.

This document that has just come in here, I understand, came from the Secretary of Agriculture. I think this document ought to be printed. It seems to set up a new form of calculation. In fact, it seems that we are getting a new calculus here every few minutes. They ought to be earmarked as to date and hour and minute, so that we will keep up with them; and in case new ideas flutter through the various and sundry gentlemen who are preparing these ingenious documents we will know from the point of time which we are to take and read first, or to regard as superior.

I want to make a suggestion, Mr. President. It is now getting close to Good Friday. Many of our Senators have expressed, so the Senator from Arkansas has informed us, a desire to go to the ball game. This latest—do I interrupt the Senator from Arkansas?

Mr. ROBINSON of Arkansas. No; I interrupt the Senator from Louisiana. All hope of recessing for a ball game was abandoned yesterday afternoon.

Mr. LONG. "All hope abandon, ye who enter here." [Laughter.]

Mr. ROBINSON of Arkansas. Yes; so far as entertainment is concerned, that is true. We must stay on the job.

Mr. LONG. I am going to stay right with the Senator.

Mr. ROBINSON of Arkansas. I am glad to hear that, because I did not want to have to send out to the ball park to get the Senator. [Laughter.]

Mr. LONG. That goes to show that I am one man whom the Senator from Arkansas wants around at all times. [Laughter.]

Mr. ROBINSON of Arkansas. Yes; the Senator understands that perfectly. [Laughter.]

Mr. LONG. Mr. President, after having read three and a half pages of this epistle, I see that the formula is changed by pages and by paragraphs. I think this document ought to be printed, and that Senators ought to be requested to give it some study before undertaking to proceed too far into this matter. I am told by a Senator sitting near me that it will be printed. That will be of some benefit.

The PRESIDING OFFICER. The Chair is advised that the document has been read into the record.

Mr. LONG. I want to state further, Mr. President, that I am advised by the Library of Congress that they have references and records there explaining in simple terms the mythical processes and logarithms of higher mathematics, so that whatever may have been furnished us for our consideration and illumination can be worked out by Senators upon reasonable application for the records to which I have referred, and I am hoping that Senators, in connection with this and other documents which have come and will come, will avail themselves of the material at hand to acquaint themselves with these logarithms so that they will understand the mysteries of the agricultural question, upon which we are now about ready to act.

Mr. BANKHEAD. Mr. President, in the remarks I am about to make I want to appeal to the reason of those who seriously are interested in the merits or the demerits of the pending bill.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Kendrick	Reynolds
Ashurst	Costigan	Keyes	Robinson, Ark.
Austin	Couzens	La Follette	Robinson, Ind.
Bachman	Cutting	Lewis	Russell
Bailey	Dickinson	Logan	Schall
Bankhead	Dieterich	Loneragan	Sheppard
Barbour	Dill	Long	Shipstead
Barkley	Duffy	McAdoo	Smith
Black	Erickson	McCarran	Steiner
Bone	Fess	McGill	Stephens
Borah	Fletcher	McKellar	Thomas, Okla.
Bratton	Frazier	McNary	Thomas, Utah
Brown	George	Metcalf	Townsend
Bulkley	Glass	Murphy	Trammell
Bulow	Goldsborough	Neely	Tydings
Byrd	Gore	Norbeck	Vandenberg
Byrnes	Hale	Norris	Van Nuys
Capper	Harrison	Nye	Wagner
Caraway	Hastings	Overton	Walcott
Carey	Hatfield	Patterson	Walsh
Clark	Hayden	Pittman	Wheeler
Connally	Johnson	Pope	White
Coolidge	Kean	Reed	

The PRESIDING OFFICER. Ninety-one Senators having answered to their names, there is a quorum present.

Mr. BANKHEAD. Mr. President, I am opposed to the adoption of the pending amendment. I stated my reasons for opposing it in the committee while the amendment was under consideration there, and reserved the right to oppose it when the bill came before the Senate for action.

I am convinced that the amendment does not and cannot serve any useful purpose, either in the administration of the proposed law or in aiding the financial condition of the farmer. My objection is not based upon any opposition to the farmer receiving the cost of production. I think he should receive more than the cost of production. I do not understand how any business venture can progress if its earnings are equal only to the cost of production. There must, of course, be in addition to the cost of production some

margin for other purposes which are not included in the factors which constitute the cost of production.

It is my understanding that the cost-of-production amendment as proposed here would bring to the farmer a much lower return than would the pre-war parity basis. It developed here, from the statement of the Secretary of Agriculture, that for years the Department of Agriculture has worked upon the problem of ascertaining the costs of production of various agricultural commodities. The formulas prepared for that purpose, the factors which enter into that program, are not those established by the present Secretary of Agriculture. They are the very ones which have been established by the Department of Agriculture, regardless of its political administration, over a period of years; and, under the factors included by the Department, and which will doubtless be included if this amendment is sought to be put into operation, the cotton farmer will get 8 cents a pound for his cotton on cost-of-production basis, the wheat farmer will get 60 cents a bushel for his wheat, the hog man will get only \$2.60 a hundred for his hogs; whereas under the basis established by the pending bill for parity in the purchasing relations between agricultural and industrial commodities the prices of all of the basic commodities in this bill will be higher, much higher, than the figures at which the prices can be placed under the plan limiting it to cost of production.

Unfortunately, many confuse the subject of cost of production with a proper standard of living for the farmer. We are all interested in a higher standard of living for the tillers of the soil. They are entitled to it under all considerations. They work, as we know, around 16 hours a day during a very large part of the year. They work in the sunshine, they work under all sorts of weather and climatic conditions. They take greater risks, of necessity, than any other class of business men in the United States.

The result of their year's work depends in large measure upon the climate. They are affected not only by excessive rains and floods but at times by droughts. They have pests of various kinds to interfere with the result of their labors.

They raise, as we know, the food supply and the products out of which the clothes of all the commercial and industrial people of this country are made, and I say that they are entitled to as high a standard of living as are the people who work in the cities and towns of this country.

Mr. President, when gentlemen talk to me about a mere cost-of-production basis for the farmer being adequate, being sufficient, to give him a standard of living that we would all like to see him have, I submit that I can accept no such formula, no such doctrine, even if that cost of production would bring his price up as high as the pre-war basis provided in this plan.

Mr. President, why incorporate a provision of this sort, which no one can support on any basis of fact that would be helpful to the farmer, that would be better for him now than the other basis, when all of the elements entering into his cost of production are lower than they have been in the recollection of man? With the food for his family, the feed for his stock, the cost of labor, the price of horsepower labor, and all the principal factors entering into the cost of production lower than they have ever been, how can anyone conceive the thought that such a basis will be helpful and beneficial in raising the prices the farmer will receive for his commodities?

I do not care to go into the question of the difficulty and uncertainty in the matter of ascertaining the cost of production. While the cost of producing agricultural commodities of various kinds in different sections of America is one doubtless of extreme difficulty of ascertainment, and while it is much more difficult than ascertaining the cost of production under the tariff law involving articles produced by certain industries, still I can see that it is possible that some reasonable basis might be found for ascertaining the average cost of production of different commodities.

So, not basing my objection upon that administrative difficulty, I do assert, Mr. President, that a program like this left

in the bill will result in a constant agitation throughout the country, a constant pressure upon the Department of Agriculture to give to the farmer a price which he is not authorized to receive under this plan if it shall be a cost-of-production plan rather than a standard-of-living plan.

Mr. President, I am not going into the subject of the constitutionality of this measure. My objections are based upon other and fundamental considerations which are clearly, to my mind, injurious to the best interests both of the administration of the bill and its effect upon the farmers themselves. I prefer merely to make it a matter of record that it does seem to me that there is no grant to Congress to fix prices of commodities, whether we consider the question from the standpoint of those moving in interstate commerce or those which are confined solely within the respective States. I am not going to elaborate upon that, but it is my clear conviction that this amendment clearly contravenes the Federal Constitution, is violative of the fifth amendment, and has no basis of authorization in the Federal Constitution.

Mr. President, this is not a price-fixing bill, as has been said by the Senator from Michigan. It does not fix the price of any commodity, but, on the contrary, simply gives power to the Secretary of Agriculture to raise from time to time as best he may, under prevailing marketing and consuming conditions, the price the farmer may get in the market by way of benefits for his commodities. Instead of being a price-fixing bill it is simply a price-raising bill. There is no minimum price suggested in the bill; there is no maximum price suggested in the bill. There is nothing suggested, except that, so far as possible consistent with the best interests of the consumers and the public at large, farm commodities shall bring a price commensurate with and measured by the exchange value of those commodities for the same amount of commodities produced in industry which the farmer must purchase.

I know the motives of the Senator from Nebraska in this matter are pure; I know he is interested in trying to help the farmer. We have worked together in the committee for 2 years. I am sure that every member of the Committee on Agriculture and Forestry has the same motive, the same purpose, the same anxiety to do everything in his power to aid the financial condition of the farmer. However, let me ask the Senator from Nebraska, in case he has not given it consideration—and I know he wants to give consideration to every angle of this problem—to consider, for instance, cotton. Under this amendment the domestic allotment of cotton for next year will be about 5,000,000 bales, for which the buyer, under the terms of the bill, must pay the cost of production. How will that work out? To begin with, Mr. President, we have a carry-over in America of more than 13,000,000 bales of cotton, almost all of it now resting in the warehouses and compresses of the country, out of the hands, in large part, of the producers. That excess or surplus of cotton is included in the amount that is covered by the domestic-allotment plan. Out of that 13,000,000 bales, plus another crop of 13,000,000 or 14,000,000 bales, only 5,000,000 bales can be sold at the cost of production, without other benefits to the cotton grower, for there are no advantages to him by way of an increased price growing out of other provisions of the bill on that part of the cotton which must be exported. There is no enhancement in price for the rest of the crop by reason of land rentals or reduction in production, thereby decreasing the surplus. There is no advantage by reason of benefits paid under the allotment plan, if it shall be put into operation, but merely a requirement that for 5,000,000 bales of that crop the buyer must pay the cost of production. For the purpose of this argument we will assume that the cost of production is higher than the standard fixed in this bill on a pre-war basis; but whether higher or lower—and if it is not higher it serves no purpose whatever—how much cotton will the cotton farmer sell next year? Not a bale, not a single pound of cotton for American consumption under the cost-of-production plan will he sell, because the cotton-mill people will go to warehouses and get their cotton. They can buy

it from them, I understand, but not from the producer. Certainly the producer will sell no cotton next year.

What about the second year? Mr. President, we have in this country enough cotton for practically 2 years' use, exempt from this proposed cost-of-production limitation upon the buyer. So that for another year, the second year, there would be no advantage of any sort under this plan to the cotton grower.

What about wheat, let me ask you Senators from the wheat section? There is a carry-over of 350,000,000 bushels of wheat; the average domestic consumption is 500,000,000 bushels. That is the quantity for which the buyer would be required to pay the cost of production. Before a wheat grower could sell a bushel of wheat under this plan, the 350,000,000 bushels of wheat in the warehouses, exempt from the plan, must have been bought and consumed, thereby leaving a sale from next year's crop of only 150,000,000 bushels of wheat out of a probable crop of 700,000,000 bushels. So I submit that, while the cost-of-production plan, especially if there could be added to it proper provisions which would elevate the standard of living of the farmer and would give him a good, fair margin—would represent a splendid and ideal theory, and I should like to see it put into execution as much as any man upon this floor of the Senate, yet, from the lights before me, I cannot see how it can operate in any way to the advantage of the farmer, either this year or next year in the case of cotton, and certainly not for this year in the case of wheat.

So, Mr. President, it seems to me that this provision really ought to be left out of the bill. There is the question of the uncertainty about buying commodities. If a prospective purchaser does not know whether the producer has sold his domestic allotment of hogs, for instance, he is always under an uncertainty, under an anxiety, about violating the law. If he buys a hog from his neighbor or from the butcher or in the market place, the buyer has got to take the risk of ascertaining the facts for himself as to anything he buys that is included in this bill as a basic commodity.

If the farmer goes to the cotton buyer with cotton or goes to a cotton mill with cotton, what will the buyer ask? "How much is your domestic allotment for this year? How much have you already sold?" And evidence satisfactory to the buyer upon that subject must be presented. Otherwise the purchaser buys at the risk of a substantial fine. I submit that when Senators talk about the uncertainty as to different grades growing out of changes in the amount of the excise tax, and that little uncertainty constitutes a factor serious enough to take nearly an entire day's time of the Senate, it is infinitesimal compared with the investigation that every buyer of any basic commodity must make in order to be sure when he enters into a contract, such as the Constitution authorizes him to make, that in doing so he is not buying some portion of a farmer's production which is not exempted from the domestic allotment allowed him.

It seems to me it will bring about all sorts of uncertainties, all sorts of confusion in the trade, and will retard trade. A situation of that sort is not helpful; and why create it if it is not necessary in order to raise the price of the farmer as high at least as it can be raised under other provisions of the bill to the price which gives a fair exchange value to the farmer for the things that he must buy? So I submit, Mr. President, in view of these suggestions, that this provision ought to be eliminated from the bill. I have heard of no one who advocates it.

I know that the suggestion of the cost of production is a worthy one. I fully agree with the theory. I know that those who propose it, like myself, want to go further than the cost of production; and if we accept the figures of our Government, if we use the facts within our knowledge about the cost of things that enter into the actual production, we must know that this formula cannot give the farmer what he ought to have. If the application of it does not help him, if the Secretary's construction of the application of it does not help the farmer, then why should we insist upon putting a doubtful provision in the bill which at some time,

in the hands of some unfriendly Secretary of Agriculture, might result, not in advantage to the farmer, but in reduction of the disparity of the purchasing price down to the cost of actual production as is authorized here?

Mr. President, for these reasons, I hope the Senate will not adopt the amendment.

Mr. BARKLEY. Mr. President, we have from time to time during the consideration of the bill dealt in a good deal of "horseplay." We have attempted to ridicule the name bequeathed to a man who happens to hold an official position. We have tried to ridicule the measure out of the Senate because in the province of Almighty God there was handed down from one generation to another a name that someone here does not like. So far as I am concerned, I do not propose to allow my vote as a Member of the Senate to be swayed by any such trivial consideration. I have tried from the beginning of the consideration of the whole farm problem to look upon it and deal with it seriously. I have tried as best I could to picture the causes which have produced the farm situation which calls for legislation. I have tried as best I could to fathom the almost unfathomable problem of how by legislation we could lift the farmer out of the ditch in which he finds himself. We cannot do it by hilarity. We cannot do it by "horseplay." We cannot do it by playing on the name of some man. Neither can we do it by attempting to resort to the criminal law in our efforts to handicap the sale of farm products or to handicap the voluntary exchange of farm products in the markets of the world.

I do not know, and I dare say none of us here knows, whether the bill will solve the problem of the farmer. We considered the McNary-Haugen plan. We did not succeed in getting it enacted into law. We considered the equalization-fee plan, and we could not get that enacted into law. We tried the agricultural stabilization plan under the administration of Mr. Hoover. Notwithstanding the fact that that law operated in some respects beneficially, notwithstanding the fact that the Farm Board in some of its activities, especially in dealing with farm organizations and the encouragement of cooperative agricultural associations, rendered some very large benefit to the farmers of the country, on the whole the plan failed and the farmer was not substantially benefited by it.

I do not know that anybody in the United States is in possession of that amount of wisdom which will enable him to say that he has the last word on the subject of agricultural relief. Certainly I do not possess that wisdom. I know of no Member of this body who possesses it. I know of no Member of the other body of Congress who possesses it. I know of nobody in the United States or any combination of men in the United States who can say beyond peradventure of doubt that they know what may be the real remedy for the farmer's troubles. Therefore I do not know that the bill now under consideration is a solution for the farm problem. I do not understand that it is presented here either by the Secretary of Agriculture or by the President of the United States or by the Chairman of the Committee on Agriculture and Forestry or by the committee as a whole as a solution of the farm problem which can be handed to the farmers without any hesitation and without any doubt as to its workability.

The truth is that when it was sent down here, if it were sent, in its original form from the Department of Agriculture, following a message from the President, he announced that he did not know that it was the last word in agricultural relief, that it was untrodden ground. The ground we have covered has been untrodden ground, except the ground which we have trod in some of our laws which have had a good deal to do with keeping this burden on agriculture, has been trodden over and over again at the behest of certain groups of people in the United States who have always preyed upon agriculture and used the title of "the farmer" as a smoke screen behind which to secure legislative favors of its own in the form of tariff or tax laws enacted by the Congress of the United States.

We need not delude ourselves in the belief that this particular measure is going to do all that its authors or sponsors may hope that it will do, but I am going to vote for it in the belief that it is no worse than any others that have been brought forward in the past by the Senate, and it may be infinitely better, because it does fix responsibility upon somebody to deal in an official capacity with the troubles of agriculture and use the powers that are granted in the bill in an effort to remedy the condition of the farmer. Certainly we can do nothing to make that condition worse, and we may be able to do something that will make it better.

Mr. LONG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Louisiana?

Mr. BARKLEY. I yield.

Mr. LONG. I notice the Senator mentions in a rather derogatory manner the tariff. This bill extols the tariff feature very much, and finds it necessary in order to aid agriculture that we invoke the tariff. In other words, the Senator will be in line with us tariff people when he votes for the bill.

Mr. BARKLEY. No; I do not think I will be in line with "us tariff people" if the Senator from Louisiana classes himself among "us tariff people." If the Senator from Louisiana classes himself with the Fordneys, the McCumbers, the Smoots, and the Hawleys as being "us tariff people", then I take myself out of that class.

Mr. LONG. The Senator from Louisiana does not class himself with the Smoots, the Hawleys, the Fordneys, and the McCumbers. The Senator from Louisiana classes himself with the Washingtons, the Lincolns, and the Jeffersons on the tariff. [Laughter.]

Mr. BARKLEY. I am sorry I cannot consult them and ascertain their reaction to the last statement of the Senator from Louisiana.

Mr. LONG. It will be no trouble to find how they stood.

Mr. BARKLEY. I do not care to get into a tariff argument with the Senator from Louisiana or anybody else. So far as the tariff provisions of the bill are concerned, they represent merely an effort to put the farmer upon a parity with others who have enjoyed the tariff. That is no justification for the tariffs that have been heaped upon the farmer's back. That is no justification for the policy of iniquity, as I believe, which has worked the undoing of the farmer; but in view of the fact that the tariffs are on his back and that he must submit to them and live under them, then there is nothing unfair or inconsistent in an effort to make the farmer equal to those who have enjoyed them for a century, and that is all the bill undertakes to do. The fact that they are in the bill affords no reason whatever to criticize it or vote against it.

Mr. LONG. I agree with the Senator in all he has said. That is why we people who are raising sugar are entitled to just as much tariff as the man who is raising cotton or wheat. We cannot live without it. We have to trade in and buy on the tariff market.

Mr. BARKLEY. Mr. President, as I was trying to say when interrupted so pleasantly by the Senator from Louisiana—and I welcome all his interruptions and appreciate the Senator's situation, though I do not always approve his reaction to problems; but he and I will not fall out about methods, he will no doubt continue to pursue his and I shall pursue mine.

As I was about to say, unless some Member of the Senate or some Member of the other body of the Congress can offer a better solution for the problems of agriculture, can bring in here in clear understandable English a better bill than the one we have before us now, it does not lie in our mouths to criticize what somebody else has tried to work out. Unless I can in the quietude of my study, as a result of investigation, write a better bill than this and bring it in here and offer it as a substitute, I have no moral right to find fault with and criticize what somebody else has done, or to try to ridicule it out of the Senate of the United States.

We have the farm problem to deal with and we are compelled to deal with it. For years we have been trying to find

a market for farm products. We have been complaining, in the last 3 or 4 years especially, because of artificial trade barriers erected by the nations of the world against international trade, a process which we ourselves inaugurated when we passed the Smoot-Hawley tariff bill in 1929 and thereby set an example for retaliation around the world, thereby set an example for the raising of artificial barriers which have reduced international trade in 3 years by more than 50 percent and reduced world trade last year by more than 24 percent. We must deal, therefore, with the question of surplus products of the farm because our own example and our own legislative processes have destroyed the markets of the world for the American farmer.

During the last 3 or 4 years we have been seeking some way to find a market for the products of the farmer. We have complained that our wheat has been piled up in the granaries, that our corn has been piled up in the corn bins, that our tobacco has been piled up in the tobacco barns and in warehouses, and that all other products of the farm have been frozen because of the inability of the farmer to sell and the inability of the purchaser to buy, and because of their inability to scale the walls of artificial trade restrictions that have been erected between the nations of the world so as to stagnate world business. There never has been and there never will be an era of prosperity, either to the farmer or to the manufacturer or to the laboring man or to the business man, until there has been a resumption of world trade in all of the exchangeable commodities that are produced in the world; yet in this very measure we have a provision that puts another handicap upon sale, that erects another artificial barrier against exchange; and we have gone to the extent of resorting to the criminal law to make it an offense for a man to buy any part of any commodity at a price lower than the Secretary of Agriculture in Washington shall have proclaimed as the cost of producing that product.

What is a basic agricultural product as contemplated in this bill?

Section 11, on page 16, says:

As used in this title, the term "basic agricultural commodity" means wheat, cotton, field corn, hogs, rice, tobacco, and milk.

Keep those basic commodities in mind for just a moment.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. COUZENS. May I suggest that it says more than that. It says "and its products."

Mr. BARKLEY. Yes; any product of the things named.

Mr. COUZENS. That includes butter and numerous other products.

Mr. BARKLEY. Yes; butter, cheese, and it might include canned corn; it might include cigarettes; it might include smoking tobacco and chewing tobacco; it might even include bread, because bread is a product of wheat. There is no limitation to the number of products covered in that definition of "basic agricultural commodity."

In the section under discussion at this time we have this provision. We must read the two together in order to understand the effect:

The Secretary of Agriculture, in addition to the powers granted by parts 2 and 3 of this title, is hereby authorized, with respect to any basic agricultural commodity—

It is with respect to any of these things that I read back in section 11—

to estimate as nearly as practicable and proclaim from time to time—

(1) The percentage of the domestic production of the commodity, including carry-over stocks for market during the next marketing period for the commodity, that will be needed for domestic consumption.

In other words, let us assume that a billion bushels of corn are produced in the United States in 1933. At some indefinite time, and from time to time, the Secretary of Agriculture is authorized to make a proclamation announcing how much of that billion bushels of corn will be consumed in the United States and how much of it, in all probability, will be exported to other countries. He is authorized at the

same time to proclaim the average cost of producing that billion bushels of corn—not a certain price in Kentucky, not another price in Missouri, not another one in Iowa or Minnesota, but an average cost of production for the United States of all the 1,000,000,000 bushels of corn produced in 1933 and the proportion of that billion bushels of corn that will be consumed in the United States.

Let us assume that the Secretary of Agriculture proclaims that 600,000,000 bushels of that corn will be consumed in the United States, and that the average cost of producing that corn has been 20 cents a bushel. Then it will be unlawful for anybody anywhere to buy any portion of that billion bushels of corn for less than 20 cents a bushel. Although the farmer may be willing to sell it for 15 cents a bushel; although his taxes, his debts, his children, his wife may need the amount of money that will be obtained by a sale at 15 cents a bushel; although there may be a mortgage suspended over that farm and there may be foreclosure proceedings to sell it from over his head, yet nobody can buy a single bushel of that corn for 15 cents a bushel without subjecting himself to a penalty of a year in prison or a fine of \$1,000!

Let us take, for instance, tobacco. I have in my hand a pamphlet issued by the Department of Agriculture—Circular No. 249, issued in January 1933, on American Tobacco, Types and Uses and Markets, prepared by Dr. Charles E. Gage, senior marketing specialist in charge of the tobacco section, Bureau of Agricultural Economics. Within the pages of this little pamphlet there are 62 types of tobacco described, all of them grown under separate and different circumstances, all of them produced according to climate and soil, most of them with a different use, most of them with a different market.

It would be utterly impossible for the Secretary of Agriculture or a congregation of Secretaries of Agriculture to proclaim any average price for those 62 types of tobacco that would be fair to any single one of them, because not only are they produced in different sections of the country, in different types of soil, used for different purposes, and sold in different parts of the world, but the price likewise varies as much as the character of the soil or the type of tobacco. So the Secretary of Agriculture could not proclaim a general average as the cost of producing tobacco in the United States that would be a fair average for any particular crop, and I take it for granted that he could not take all 62 types and investigate with sufficient detail to proclaim a fair estimate of the cost of production for all 62 of these types. Yet if he proclaims an average price for all the tobacco grown in the United States, which average might be higher than is ever brought by certain types of tobacco, no farmer in Virginia or Kentucky or North or South Carolina or Ohio or Wisconsin or Pennsylvania or Connecticut could sell a single load of that tobacco at less than the average price proclaimed by the Secretary of Agriculture, because nobody would be willing to undergo the chances of being indicted in a Federal court for buying tobacco at a price lower than the average cost of production fixed by the Secretary of Agriculture.

Mr. ADAMS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Colorado?

Mr. BARKLEY. I do.

Mr. ADAMS. I should like to have the Senator from Kentucky give us his view of the constitutionality of the provision he is discussing, if it is within the intent of his discussion.

Mr. BARKLEY. I appreciate the compliment paid me by the Senator from Colorado. I do not know that my opinion of its constitutionality would be any more valuable than any other opinion; but, if I have time, I will touch on that phase of the matter before I conclude.

Mr. LOGAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Kentucky yield to his colleague?

Mr. BARKLEY. I yield to my colleague.

Mr. LOGAN. I should like to have the Senator or someone tell me what is meant by "cost of production"; that is, what elements would be taken into consideration in determining the cost of production. I cannot understand the argument made by my learned colleague or by the Senator from Alabama [Mr. BANKHEAD], who just preceded him, unless I first know what is meant by "cost of production." Then I can follow the argument much better.

Mr. BARKLEY. I will say to my colleague that I have no formula; and if my colleague heard read from the desk a while ago the statement or letter from the Secretary of Agriculture, he will recall that the Secretary of Agriculture makes the contention that it is impossible for him or anybody else to formulate a formula by which the cost of production of agricultural products can be ascertained to such a nicety as to justify him in proclaiming it as the price below which nobody can sell and nobody can buy the product upon which he proclaims what is the cost of production. I frankly say that I do not know myself how a formula can be arrived at covering all the agricultural products and all the types of any commodity, and the products that are produced from the raw material, that can justify any Secretary of Agriculture in proclaiming any figure as the absolute cost of production to be used in guiding the farmer in selling his commodity, or the purchaser in buying it.

Mr. LOGAN. I think it is absolutely impossible.

Mr. WHEELER. Mr. President—

Mr. BARKLEY. I agree with my colleague. It is so utterly impossible that it seems almost incongruous that when we have been for years trying to find a market for the surplus products of the farmer, now we are going to invoke the criminal law and impose a penalty upon anybody who buys any farm product unless he buys it at or above the price which has been designated by the Secretary of Agriculture as the cost of production.

Mr. WHEELER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Montana?

Mr. BARKLEY. I yield to the Senator.

Mr. WHEELER. I will say to the Senator that the Department of Agriculture has for years done the very thing that Senators say is impossible, and the Congress of the United States has been appropriating millions of dollars to enable the Department of Agriculture to do it. The Department has issued statements from time to time saying that the cost of production of wheat is such and such a figure.

My idea about the matter is this, if the Senator will pardon me: I agree that it is an extremely difficult thing to find out what the cost of production is on this piece of land and that piece of land; but the Department from time to time has said what the cost of production is. While I am going to support this bill, I say to the Senator that it is going to be an extremely difficult thing for the Agricultural Department or for any department of the Government of the United States to find out what the base price was between 1909 and 1914, and then to apply that base price to a figure in 1933, because there will be a continual fluctuation between the cost of production of wheat in 1905 and 1914 and 1933 and 1934, and the cost of production of wheat is going to vary from time to time. I frankly say to you, however, that I do not think it would be any more difficult for the Department of Agriculture to find the cost of production than it will be to find these other figures which they propose to make.

Mr. BANKHEAD. Mr. President, may I interrupt the Senator?

Mr. BARKLEY. I yield to the Senator from Alabama.

Mr. BANKHEAD. Was the Senator from Montana here when the statement of the Secretary was read?

Mr. WHEELER. I did not hear the statement.

Mr. BANKHEAD. Did the Senator get the fact that, according to the formula that has been referred to by the Senator, used by the Department of Agriculture, the cost of production of wheat is now 60 cents a bushel, and the cost of production of cotton is 8 cents a pound?

Mr. WHEELER. I did not hear that statement; but let me call attention to this fact: I do not know what formula the Department of Agriculture went on, and I do not know what formula it has taken. I heard the Secretary of Agriculture, or somebody, make the statement before the Agricultural Committee that if we took the cost of production as figured by the Department of Agriculture, it would be lower than the figures of the cost of production of wheat based upon the base price between 1909 and 1914; but on the one hand we are told that we cannot find the cost of production, and on the other hand we are told by the Department of Agriculture what the cost of production is, based upon certain formulas.

Mr. BARKLEY. Mr. President, the Secretary's letter, as I understood it, set forth that there was a variation in the estimation of the cost of producing wheat ranging all the way from 40 cents a bushel to \$1.50 a bushel; and I understood that under certain formulas adopted by the Department of Agriculture, 81 cents had been arrived at as probably a fair average cost of production of wheat.

Mr. BANKHEAD. No, Mr. President; the Senator is mistaken about that. It was 60 cents.

Mr. BARKLEY. He mentioned 81 cents in that connection. Perhaps I got the relationship wrong; but let us assume that the cost of producing wheat in 1932 was 60 cents a bushel. Let us assume that it was 50 cents or 40 cents. We know that the farmers in the wheat fields of Kansas, Iowa, Missouri, and Kentucky sold their wheat for as low as 25 cents a bushel. Let us suppose that the Secretary of Agriculture, operating under this section, had issued a proclamation that out of 800,000,000 bushels of wheat grown in this country 600,000,000 were necessary for domestic consumption, and a farmer loaded his wagon with wheat at the threshing and took his wheat into the market and undertook to sell it for anything less than 40, or 50, or 60 cents—whatever figure may have been proclaimed by the Secretary of Agriculture. Does anybody suppose he would have had a sale for it? Would any wheat buyer buy it with that law staring him in the face, when, if he is taken into a Federal court, the only defense he has is that he did not buy any wheat? Regardless of the circumstances, if he bought the wheat from the farmer at 30 or 35 or 39 cents a bushel, although the farmer was there begging him to buy it because he needed the money, if he bought wheat at less than the price fixed by the Secretary of Agriculture the grand jury would indict him, and we know he would go to the penitentiary or pay a fine of a thousand dollars.

Mr. LOGAN. Mr. President, will my colleague yield to me?

Mr. BARKLEY. I yield.

Mr. LOGAN. I would like to know whether, in considering the cost of production, interest on the investment is to be considered; and if so, whether it is on the value of the farm at the present time or the purchase price of the farm; whether depletion and depreciation are to be considered; whether we are to include the work of the man's family and his own children, men and women and boys and girls. I would like to know how we reach a standard of cost of production. I have seen that statement, as suggested by the Senator from Montana, given out by the Department of Agriculture, but I do not know whether it is correct or not, because I do not know the different units which go to make it up. I am going to vote for the bill, but it is not because I know very much about it but because, as suggested a while ago, I do not know any better plan than has been offered. Therefore I am going to vote for this one.

Mr. BARKLEY. Of course, the Senator will understand that we are considering a section now put into the bill by the committee as an amendment, a section which was not in the original bill. Answering my colleague, I would assume that any fair estimate of the cost of production would take into consideration the value of the land, or its cost, interest on the investment, and the value of the labor of every human being that went into the production of the crop, whether it was the man, or his wife, or his children, because, assuming that their time is valuable—and it is unfair to assume anything else—we would have to estimate the value

of their services to see what would be the cost of hiring similar services in order to produce the crop.

I cannot understand that the Secretary of Agriculture, or anybody else, in estimating the cost of production, would take into consideration the fact that a man owned the land already, that he and his wife and his whole family raised the crop, and did not pay out any money whatever for help; therefore that there was no cost of production. Certainly that would not be a fair criterion by which to proceed. We must first estimate the value of every man's services that went into the production of the crop and all the elements that go into the production of it, the ownership of the land, the taxes, all of which factors complicate the problem when we undertake to arrive at a cost of production for crops which have many different types.

We may assume some farmer in one section or another section of the country who raises his tobacco crop of 10 acres only by the labor of himself and his family. We may assume there was no cash outlay whatever. He might be able to say that the cost of producing that crop was 3 cents a pound. But the Secretary of Agriculture has proclaimed that it takes 10 cents a pound to produce an average crop of tobacco, and I dare say that that man never would find a market for that 10-acre crop of tobacco, because nobody would buy it.

Mr. LOGAN. Suppose a cropper or a tenant of the man, who gets a part of the crop for the cultivation, does not own anything, does not furnish the team, or the hay for old Dobbin, or any of those things; then his part of the cost of production would be one thing and the farmer's part would be another.

Mr. BARKLEY. Yes. We would have to use a different basis in arriving at the cost of production for that sort of a farmer.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. ROBINSON of Arkansas. Different methods have been employed by various agencies for ascertaining cost of production, but practically all methods recognize among other elements the cost of the land, the labor that enters into the preparation of the land, the cultivation of the crop, the harvesting of it, the marketing of it, the cost of the seed, and the cost of the fertilizer, if any be used.

Mr. BARKLEY. The cost of the machinery.

Mr. ROBINSON of Arkansas. Not the cost of the machinery but a reasonable value of the use of the machinery.

Mr. BARKLEY. The cost of it spread out over the term for which it would be useful.

Mr. ROBINSON of Arkansas. Yes. Most methods recognize the tax element as a fair one to be considered in making up the cost of production. Ascertainment of cost of production is more or less a scientific process, and there is general concurrence as to the items which enter into it.

The significant fact, though, with respect to the paragraph of which the Senator is speaking, is that it is easily demonstrable that the cost of production, if adopted as the method of farm relief, under this bill, would result in less benefits than the fair exchange value, for the reason, principally, that costs of production now are at the minimum. While all farm commodity prices are low, all the costs of production are exceedingly low, and the result is that if we ascertain a fair cost of production in accordance with the facts applicable at this time, we get the lowest standard that could be obtained within perhaps the lifetime of anyone who is attending these proceedings.

Mr. President, I doubt very much whether the figures contained in the letter of the Secretary of Agriculture are as low as the facts would warrant. I doubt whether an ascertainment of the cost of production of cotton would show it to be 8 cents a pound, and I am morally sure that the cost of production of wheat would not exceed 60 cents a pound.

When we take into consideration the fact that the cost-of-production benefits apply only to that part of the commodity which is held for domestic consumption—and in

the case of cotton I believe that is about 40 or 45 percent—we will find that the cost of production, if estimated at 8 cents a pound, would net the producer a much lower figure than 8 cents per pound on the whole crop. In other words, we would have to take into consideration the 60 percent or the 55 percent, whichever figure may be correct, in arriving at the amount of benefit which the farmer would actually receive; and, if we proceed on this cost-of-production basis, we will accomplish practically nothing insofar as some of the commodities included in the bill are concerned.

Mr. BARKLEY. Of course, we must keep in mind the difference between the process intended by this section and the process by which the previous section is to be worked out, so far as parity is concerned.

Mr. ROBINSON of Arkansas. Oh, yes; I am not speaking of the fair exchange value; I am speaking now of the cost-of-production plan.

Mr. BARKLEY. The Senator is undoubtedly right, because, if we take the present cost of production as the basis for any proclamation which might be issued by the Secretary of Agriculture, it will be unfair as to all commodities covered in this amendment.

Mr. WHEELER. Mr. President, will the Senator yield to me?

Mr. BARKLEY. I yield.

Mr. WHEELER. Let me say to the Senator that I appreciate very much that this particular part of the bill, part 3, has defects in it, but I hope the Senator will not force me to point out the defects with reference to some of the other phases of the bill.

Mr. BARKLEY. I will say to the Senator that I am not engaged now in a comparison of defects. I am trying to engage in a comparison of benefits. We can find defects in all the legislation we pass here.

Mr. WHEELER. Of course. For instance, I have not the slightest doubt that the leasing plan provided in this bill would not apply to wheat in my section of the country. I do not think there is a chance for it to operate successfully as to wheat in my section of the country.

Mr. BARKLEY. The Senator is referring to the leasing plan?

Mr. WHEELER. Yes. I am extremely doubtful as to whether or not the farmers in my section would get any benefit out of the allotment plan because of the fact that it is so complicated and is going to require so much governmental control.

The wheat farmers in my section of the country have come to the Congress of the United States, through the largest farm organization in the United States, representing more farmers in my section than any and all of the other organizations put together, and they have asked that this plan be put into the bill. It was reported out by the Committee on Agriculture and Forestry. The Secretary of Agriculture would not have to put it into operation unless he wanted to put it into operation. He will not put it into operation on tobacco if it will not work. He will not put it into operation, I assume, on cotton if it will not work.

Mr. BANKHEAD. Mr. President, let me interrupt the Senator there. Does he construe this provision to mean that there is any option about what commodities would be put in under it?

Mr. WHEELER. Without a question of a doubt I think there is.

Mr. BANKHEAD. It does not give any option at all. If it applies to any, it applies to all of them.

Mr. BARKLEY. The language is that the Secretary is authorized to apply this yardstick to any basic agricultural commodity, and the definition of a basic agricultural commodity is set out in the bill.

Mr. WHEELER. Of course.

Mr. BARKLEY. I do not interpret that to mean that the Secretary has to apply it to all of them. He may apply it to any one of them or any number of them.

Mr. WHEELER. That is my understanding, that he can apply it to any one or all of them. The same thing is true

with reference to the leasing plan. He can apply it to one or to all. He can apply the leasing plan, as a matter of fact, to certain territory with reference to wheat, or he can apply the allotment plan with reference to wheat in another section, or he can apply this plan to wheat in another section. Why the Secretary of Agriculture, why any administration, why anybody would want to say that we do not want this in the bill, even though we are not going to make it operate, I cannot understand. The farmers in my section of the country are overwhelmingly in favor of this particular section of the bill. If the tobacco growers did not want it, if the cotton growers did not want it, that, it seems to me, would be up to them.

I want to say this to the Senator: I do not know whether it is constitutional or not, but I have serious doubts as to whether or not the other provision of the bill, with reference to the allotment plan, is constitutional. I have serious doubt in my mind as to whether or not the Department of Agriculture can go out and put a tax upon some of these things which it is proposed it shall put the tax on. But I take the position that I am going to vote for the bill because of the fact that we have been fighting for agriculture here for 10 years, we have offered plans and they have been turned down, and consequently I am perfectly willing to experiment with this bill. But I do think that when the farmers of my section of the country, of the Northwest section, and of the country generally, have spoken as they have spoken, through their recognized organizations, representing more farmers, I repeat, in Montana, North and South Dakota, Minnesota, Iowa, and other sections, than any and all the rest of the farm organizations of the country, they ought to be given some consideration when this bill is being passed through the Congress of the United States.

Mr. BARKLEY. Mr. President, I wish to say that I have great respect for the wheat growers not only of the Senator's State but of the Northwest generally, and I have great respect for any wheat grower. As a boy I was almost reared in a wheat field, and I have done everything in connection with the production of wheat from the fallowing of the soil to the threshing of the wheat, to hauling it to market, to grinding it into flour. I have worked at almost every job that has anything to do with wheat, from the time it is produced until it is consumed. But, without regard to the source of any request for this or any other section of this bill, I feel it my duty, as a legislator, to inquire into its workability and its practicability and its soundness; and to inquire whether, admitting it may be beneficial if put into operation in some sections, it would work an injustice to farmers in other sections of the country who may not have come here en masse, if we include a criminal provision penalizing somebody who bought something from them at a price upon which they might agree.

Mr. WHEELER. Let me say to the Senator that, so far as I am concerned, I think the penal provision under which a man may be sent to the penitentiary or sent to jail should be taken out of the bill.

Mr. BARKLEY. That is the only way that sort of a provision can be enforced.

Mr. WHEELER. Let me say to the Senator, with reference to the allotment plan, that there are provisions in the bill to the effect that the Secretary of Agriculture may make rules and regulations; when he makes such rules and regulations they have the force and effect of law, and an offender can be prosecuted and sent to the penitentiary not only for a violation of the provisions of the law but he can be sent to the penitentiary for 3 years for a conspiracy to violate the rules and regulations made by the Department of Agriculture.

Mr. BARKLEY. The Department of Agriculture cannot go beyond the yardstick set down in the act itself in fixing those regulations, and that yardstick is the average cost not of the products but the average price to the farmer between the years 1909 and 1914—that is easy to ascertain—taken in relationship to the purchasing power of the farmer over the same period with respect to that commodity. All the regulations of the Department revolve around that very thing.

Mr. WHEELER. I beg to differ with the Senator. The Department has the right under this bill to fix the tax so that it can regulate the price at any point the Secretary of Agriculture wants it regulated.

Mr. BARKLEY. But the tax can never be greater than the difference between the average parity price for the 5-year period and the price received by the farmer. It may be less but it cannot be any greater.

Mr. WHEELER. No; it can be greater than that. Let me say to the Senator that under the provisions of this bill, as explained by the chairman of the committee, and if the argument of the Senator from Alabama [Mr. BANKHEAD] is correct, and the statements made before the committee are correct, then if the price of wheat tomorrow should be 50 cents and the Department levied a tax of 44 cents, that would make the parity price 94 cents; but if the next day the price of wheat went up to 60 cents, it would make the price which the people would have to pay \$1.04.

Mr. BARKLEY. At any rate, it would always be regulated by the difference between the price obtained by the farmer today and the average parity price over the period from 1909 to 1914.

Mr. WHEELER. That would depend entirely upon whether one takes the construction placed upon it by the Senator from Alabama or the construction placed upon it by the Senator from South Carolina.

Mr. BARKLEY. I am taking my own construction of it, based upon a reading of the bill itself.

Mr. WHEELER. If the Senator takes that construction and can tell me from reading the bill how the Department of Agriculture is limited in the way it fixes that tax, then he will do better than anyone who has explained it upon the floor of the Senate.

Mr. BARKLEY. I will say to the Senator if there is anything wrong with that provision of the bill, the thing to do is to correct it. I am talking now about the penal provision put in the bill to compel a buyer to pay more than a certain price—a price fixed by the Department of Agriculture—and thereby interfere with the right of contract, the right of sale, by a man who has produced an article and desires to sell it at a certain price that may be less than the price set as the cost of production by the Department of Agriculture. I do not think there is any real relationship between this amendment and the original provisions of the bill with reference to the so-called "allotment plan", because the basis is different.

Mr. WHEELER. The basis is different, but, nevertheless, under the allotment plan the Department can fix the price lower than the cost of production under this bill if it sees fit to do so.

Now, with reference to violations, I do not feel that the law should establish a penalty under which a man may be sent to the penitentiary for a violation of a regulation. Nevertheless, let me call the attention of the Senator to the fact that the Secretary of Agriculture, under the so-called "allotment plan", is permitted to make rules and regulations; we are giving him carte blanche to make rules and regulations. Then let me call attention to the fact that if those rules and regulations are violated, the one violating them can be sent to the penitentiary, and if two men should violate those rules and regulations, those two men can be sent to the penitentiary for conspiracy to violate the rules and regulations laid down by the Department of Agriculture.

Mr. BARKLEY. I realize that if that is a fault, it is a fault that is found in many statutes on the books of the United States.

Mr. WHEELER. That is true.

Mr. BARKLEY. The Bureau of Chemistry, for instance, of the Department of Agriculture, has the right to make rules and regulations with respect to enforcement of the Pure Food Act, any violation of which subjects the violator to a penalty either of fine or imprisonment.

Mr. WHEELER. For that reason, while I do not like the provisions to which the Senator refers that gives the power to send a violator to the penitentiary, nevertheless when we

are giving the Secretary of Agriculture the power to make rules and regulations and then have upon the statute books a conspiracy statute under which, if a man violates those rules and regulations, which have the effect of law, he can be sent to the penitentiary for 3 years, I do not think we should cry so very much because of the fact that there is a penalty in the bill under which a man may be sentenced to jail because he violates another provision.

Mr. BARKLEY. The rules and regulations to be made under the first part of the bill do not affect anybody's right to sell what is his, what he has produced by his own sweat and his own muscle; they are regulations made for the purpose of enabling the Department to carry out the provisions of the act itself, which revolve around the parity price fixed for a period of years as compared to the purchase price. That is the very heart of the allotment plan and the levying of the tax, which represents the difference between the average price for the 5 years and the price obtained by the farmer, if the price obtained now is lower. Of course, if the price obtained now by the farmer is higher than the average price from 1909 to 1914 there is no tax. It is only in such cases where the farmer sells for less than the price of that average period that there is a tax levied by the Government, which is ultimately intended to go to the farmer so that he may obtain a price at least as high as that represented by the 5-year period from 1909 to 1914. All these regulations are for the purpose of enabling the Secretary of Agriculture to carry out the provision with reference to that simple proposition.

Mr. REED. Mr. President, will the Senator yield for a question?

Mr. BARKLEY. I am yielding to the Senator from Montana, but I do not want to consume much more time.

Mr. WHEELER. I do not want to take much time, but I do want to call the Senator's attention to the fact that under the allotment plan the Department will make rules and regulations respecting the sale, as to how the farmer shall sell and how the processor shall buy, and if the Secretary makes a rule and that rule of the Department is violated, then the violator can be sent to jail for violation of that rule laid down by the Department, just the same as he can with reference to the violations of the provisions of this proposed law.

Mr. BARKLEY. I doubt that.

Mr. WHEELER. There can be no question of doubt about it to anybody who is familiar with it.

Mr. BARKLEY. Assuming that to be true—

Mr. BANKHEAD. I want to ask the Senator how he figures that out under any plan proposed by the bill?

The PRESIDING OFFICER. One Senator at a time, please.

Mr. REED. Mr. President, will the Senator yield to me for a question?

Mr. BARKLEY. I ask whether I still have the floor?

The PRESIDING OFFICER. The Senator from Kentucky has the floor.

Mr. BARKLEY. Let me answer the Senator from Montana first and then I will yield to the Senator from Pennsylvania.

In the first place, as I have said a time or two, the regulations which may be issued and promulgated by the Secretary of Agriculture are based upon the fundamental proposition laid down by the law itself. They do not make any new law; they only emphasize the necessity of going into more detail than the Congress can go into in providing the method by which the law itself shall be carried out. There is nothing in the law that would justify a regulation saying to any farmer who produces corn or hogs or wheat or cotton or tobacco or rice or milk that he cannot sell his product to any buyer at any price upon which the two of them may agree. If that commodity has been sold at a price that may be lower than the average price from 1909 to 1914, then there is a tax levied that is in turn paid back to the farmer in order that he may get the average price of 1909 to 1914. This section, however, makes it a criminal

offense for one party to an agreement to sell or buy any commodity at a price lower than the cost of production fixed by the Secretary of Agriculture.

Now let us take milk; let us assume, for instance—and milk is in this equation—that the Secretary of Agriculture would proclaim that the average cost of producing a gallon of sweet milk is 30 cents. I do not know whether that is correct or not, but we will take that as an example. Under this section any farmer with one cow, who milks that cow every morning, who takes the milk into town and sells it for home consumption for less than 30 cents a gallon would involve the purchaser of that milk in the possibility of indictment and fine and imprisonment for 1 year for buying a gallon of milk at 25 cents a gallon, when the Secretary of Agriculture has proclaimed that the average cost of producing a gallon of milk is 30 cents. I say that will operate as a handicap for the sale of farm products and not enhance the chances of the farmer to dispose of his surplus. Now I yield to the Senator from Pennsylvania.

Mr. REED. If the Senator from Kentucky will yield, and if I may have the attention also of the Senator from Montana, let me say that it seems to me that both Senators who have just spoken have put their finger upon one of the vital defects in this bill. Obviously, the allotment plan cannot work if the only farmers to be restricted in production are those who grew the products last year. It is of no use to arrange a reduction of acreage for those who produced wheat last year if every other farmer is free to go in and plant an unlimited quantity of wheat. So everyone who has thought of that seems to agree that the Secretary must put in force a regulation prohibiting the nonwheat producers of last year from becoming unlimited wheat producers next year, and, as the Senator from Montana has pointed out, a farmer who violates that regulation by planting an acre in wheat may be sent to the penitentiary for a year under this bill.

Mr. BANKHEAD. Mr. President, I should like to have the Senator put his finger on any place in this bill that gives the Secretary of Agriculture any power to prevent a man from planting his own land.

Mr. REED. It is quite obvious.

Mr. BANKHEAD. I do not think there is anything in the bill from which such an inference can be drawn.

Mr. REED. If the Senator takes that position, then he admits in the beginning that the bill cannot succeed.

Mr. BANKHEAD. I do not admit that at all.

Mr. REED. The Senator must admit it.

Mr. BARKLEY. Regardless of any defects that may exist in the so-called "allotment plan", I admit freely that I recognize the possibility of serious defects; I recognize the possibility of its entire collapse, because it is an experiment; we cannot tell in advance how it will work; but I do not think that such defects as exist in the so-called "allotment plan" compare with the unworkability and almost the atrocity of this provision of the amendment which penalizes the man who is willing to buy something that a farmer has to sell.

Mr. REED. Mr. President, will the Senator yield for one more statement from me?

Mr. BARKLEY. I yield.

Mr. REED. I think the Senator is exactly right on that point. This bill would make it a penitentiary offense for the mother of a baby to buy a quart of milk for one cent less than the proclaimed cost of production, although she was frantically anxious to have the milk and although the owner of the milk was frantically anxious to sell it.

Mr. BARKLEY. And thereby the farmer might be required to take it back home and see it sour so that it would be unfit for human consumption because he could not sell it to that mother for one cent less than the proclaimed price of the Department of Agriculture.

Mr. REED. Exactly. Does the Senator believe that the people of this country generally realize that this bill contains such features as that?

Mr. BARKLEY. I do not; as a matter of fact, I did not realize it until the bill had been reported and I had read it.

Mr. SHIPSTEAD. Mr. President—

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Minnesota?

Mr. BARKLEY. I yield to the Senator from Minnesota.

Mr. SHIPSTEAD. I wish to ask a question to ascertain whether or not I understand the remarks the Senator made some time ago. I may have misunderstood him, but as I understood the Senator he was arguing that one of the purposes of the bill is to raise the price of agricultural products up to the price paid for such products in the period from 1909 to 1914.

Mr. BARKLEY. Yes; that is in the first title of the bill; that is the provision which fixes the period from 1909 to 1914 as the base period for ascertaining the average price of farm products during that period, in order to bring farm products in the future up to a parity, considering not only the average price but the average purchasing power of the crop during the same period. Of course, that is a different proposition from the one we are discussing here with reference to this amendment.

Mr. SHIPSTEAD. I realize that.

Mr. BARKLEY. Of course, the object of the bill, as we all hope and as it unquestionably is, I believe, is to raise the price of farm products up to the pre-war period. If we limit it only to the average price, it might be out of line with the purchasing power, and they are linked up together. The basis for the tax is not the average price of the commodities for the 5 years as compared with the present price; but the word "parity" is used, which means a correlation of that price together with the amount of stuff that price would buy in 1914. Taking the two equations or—to use the language of the Senator from Michigan [Mr. VANDENBERG] quoting from the Assistant Secretary of Agriculture—using those two logarithms, we arrive at what would be a parity between the price of products now and in that 5-year period. But that is entirely different from the proposal here.

Mr. SHIPSTEAD. Yes; I realize that.

Mr. BARKLEY. Here there is an attempt to put it within the power of the Secretary of Agriculture to say what the cost of production of any of these articles is in any year and from time to time. It might be a different cost each year. If anybody buys any of them for less than that cost proclaimed by the Secretary, he incurs liability to a penalty of \$1,000 or a year in prison.

Mr. SHIPSTEAD. If the Senator will indulge me further, I realize this is not involved in the question which the Senator is discussing, but he did make a statement in discussing the provision that led me to believe that he thought the price paid for agricultural products from 1909 to 1914 would have something to do with the price to be fixed now.

Mr. BARKLEY. It has.

Mr. SHIPSTEAD. That has also been said by others, and because of the future interpretation of the law, unless I am in error, I think it very important that we should bear in mind and the RECORD should show that the Congress, in enacting this piece of legislation, did not intend that the price for agricultural products from 1909 to 1914 has anything to do at all with the price that will be fixed under this bill, except as it is used to establish the parity of agricultural products for the purpose of exchange with the dollar of industry during that same period.

Mr. BARKLEY. Standing by themselves the prices for the commodities between 1909 and 1914 have no relation to the object of the bill.

Mr. SHIPSTEAD. That is right.

Mr. BARKLEY. Standing together with the purchasing power of the money derived from those prices in 1914 and linking the two together, it is the very heart of the bill.

Mr. SHIPSTEAD. That is true.

Mr. BARKLEY. Arriving at that parity price to me presents a complicated situation, but there are undoubtedly formulas and scientific bases which aid those who are skilled in that sort of thing in arriving at a parity of price. As a matter of fact, the Department of Agriculture have already figured out for us, who come from the tobacco section of

the country, what the parity of price on different types of tobacco will be based on those two equations. That is one of the objects of the passage of the bill.

Mr. President, I have occupied much more time than I intended.

Mr. CONNALLY. Mr. President, before the Senator concludes, will he yield briefly to me?

Mr. BARKLEY. Very well.

Mr. CONNALLY. The Senator is not complaining about the allotment section?

Mr. BARKLEY. No.

Mr. CONNALLY. But he is objecting, and he raises the fundamental question that here is a man who produces something and wants to sell it, but the Government says he cannot sell it.

Mr. BARKLEY. That is the objection I have to it, and my contention is that we cannot raise the prices of agricultural products or any other product by making it a penalty for a man to buy them.

Mr. LONG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Louisiana?

Mr. BARKLEY. I yield.

Mr. LONG. I thought I understood the provisions of the bill a great deal better than it seems that I do really understand them. Let me cite a case to the Senator from Kentucky. A woman grinds up a little sausage; a hog is killed and she takes a little sausage mill and grinds up a little sausage. Of course, that is "processing" under the bill, as I understand it. If she went to sell that sausage, she clearly would come within the provisions of the bill, whether the amendment is left in it or not, would she not? She would have to have a permit to sell the sausage and come under the provisions of the bill in order that she might get a fair price.

Mr. BARKLEY. No; I do not think so; but I would like to have the Senator from South Carolina [Mr. SMITH] answer that question. If I have a hog and kill that hog and take a little strip or two and grind it up into sausage and take that sausage to a grocer and sell it, I do not think I have to pay a tax on it.

Mr. LONG. That is the way I interpreted the bill. I think that the Senator has processed the hog when he kills him, he has processed the hog when he grinds him up, and he has processed the hog when he packs up the sausage.

Mr. BARKLEY. Of course, if we have to process him every time we touch him, we will soon process him out of existence. [Laughter.]

Mr. LONG. That is what I am afraid of. We are going to process him to the point where we cannot eat him. Processing is defined in the bill, of course.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Arkansas?

Mr. BARKLEY. Certainly.

Mr. ROBINSON of Arkansas. It is my impression that there is a provision in the bill which requires that a tax shall be levied on the first processing and shall not be levied on any subsequent processing.

Mr. BARKLEY. On page 19, subsection (b) it is provided:

The Secretary of Agriculture may provide by regulations for exemption from the tax of commodities processed by the producer thereof or processed for the producer.

I do not think the sausage mill would bear a tax.

Mr. LONG. Here it is on page 13. There is a definition at the top of page 13 as follows:

In the case of hogs, the term "processing" means the slaughter of hogs for market.

Mr. ROBINSON of Arkansas. And there is only one tax levied.

Mr. LONG. That is the tax about which I am talking. If there were such a thing done as a pig killed, then the woman who kills the pig comes under the terms of the bill. Whether we leave this provision in about which the Senator

is talking or not, it is still going to mean there is authority in the Secretary of Agriculture to issue rules and regulations to carry out the provisions of the bill.

Mr. BARKLEY. The rules and regulations he would issue, under that section, are rules and regulations exempting from the tax the processing referred to in subsection (b) on page 19.

Mr. LONG. Not necessarily only those exemptions. He can issue whatever rules and regulations are necessary.

Mr. BARKLEY. If he is exempted by the terms of the bill, it would really need no further rule or regulation to exempt him again.

But coming back to the point I am discussing, if the woman killed her hog and ground some of it into sausage and carried that sausage to a grocer and sold it to the grocer for home consumption at a price lower than the average cost proclaimed by the Secretary of Agriculture, that grocer would be subject to imprisonment in the penitentiary or to a fine of \$1,000. I submit that no grocer would buy sausage under those circumstances.

Mr. LONG. I understand, but the point I am worrying about is this: We have a provision that competing agricultural products will be subject to the provisions of the bill. We will finally get up to where potatoes will compete with rice. Then the peeling of potatoes will be processing.

Mr. BARKLEY. It might be by a professional potato peeler, but not by the grower of potatoes.

Mr. LONG. I do not know who a professional potato peeler would be.

Mr. BARKLEY. I suppose it might be in an institution that engages in peeling potatoes.

Mr. LONG. Then we will get to peanuts—

Mr. BARKLEY. Peanuts will be brought up later by the Senator from Virginia, and I do not want to get into that subject now.

Mr. LONG. Then the cracking of the hull on a peanut will be processing.

Mr. BARKLEY. Let us wait until we get to that subject at a later time.

Mr. FESS. Mr. President, will the Senator yield?

Mr. BARKLEY. I have taken much more time than I intended because of interruptions. I want to quit, but I will yield to the Senator from Ohio.

Mr. FESS. My question is in a serious vein.

Mr. BARKLEY. I am glad to have one in that vein.

Mr. FESS. The Senator mentioned the case of a farmer making sausage. His butchering was for himself, but he sold his sausage. Would not that under the bill classify as processing, because it would be the product of the hog? Although the bill says processing in reference to hogs is the slaughtering for market, but in this case would not this be for the market?

Mr. BARKLEY. I doubt whether it would be within the meaning of this language. Of course, we cannot be technical about the use of the term "first process", or first actual operation, which might mean the shooting of the hog or knocking him in the head with an ax or dipping him in scalding water in order to scrape the hair off. I do not think all these different steps in preparing the hog for marketing constitute processing within the meaning of the bill or would require a tax. I think the way a farmer might treat a hog, whether it was made into sausage or cut into hams and shoulders and various sections of the hog in a manner which might be desirable by the consumer, would be such a processing as would require a tax.

Mr. BANKHEAD. Mr. President, for information on this point let me say that the question was fully considered in the committee as to the effect upon local killing of hogs and marketing them. The Senator from Nebraska and I, in this connection, worked out and there will be found in section 9 this provision:

The Secretary of Agriculture may provide by regulations for exemption from the tax of commodities processed by the producer thereof or processed for the producer.

That is intended to give the administration power to make regulations to take care of these small things growing out of the killing of hogs by the raiser of the hogs.

Mr. NORRIS. Mr. President, I was about to invite the attention of the Senator from Ohio [Mr. FESS] to what the Senator from Alabama [Mr. BANKHEAD] has just read. I think that covers the point. I want to offer a similar amendment to the particular committee amendment that is pending which I think will clarify and meet the objections that have been made by several Senators.

Mr. FESS. Mr. President, before the Senator offers his amendment let me say that I am not yet clear about it, but the bill is intended to exempt the farmer who butchers for himself.

Mr. NORRIS. Yes.

Mr. FESS. Or for some neighbor.

Mr. NORRIS. Yes.

Mr. FESS. The question with me was that the bill takes in the term "product." Sausage would be a product of the hog. Would a farmer who is making sausage to sell at the store be exempted?

Mr. NORRIS. I think the provision authorizing exemptions under regulations to be issued by the Secretary will meet that situation.

Mr. SMITH. Mr. President, if the Senator from Nebraska will allow me—

Mr. NORRIS. Certainly.

Mr. SMITH. There was no particular language limiting the home-consumption idea. After the committee had considered it at length, they agreed that wherever a farmer processed his product himself he should not be limited, or where he got someone to process it for him. To illustrate, a farmer carrying his corn to the gristmill and having it converted into meal would not pay a tax; neither would there be a license required by the mill that processed it for his consumption. That was not in the first bill; the Senator from Nebraska brought it up. They finally agreed upon this language—I think the Senator from Nebraska drew this wording—

The Secretary of Agriculture may provide by regulations for exemption from the tax of commodities processed by the producer thereof or processed for the producer.

I admit that it is pretty broad, but it is in the bill.

Mr. NORRIS. That is all within the regulations.

Mr. SMITH. Yes; that is all within the regulations.

Mr. NORRIS. Of course, the Secretary could provide that it should not apply to a man who owned a million hogs, or a thousand hogs, and processed them.

Mr. BARKLEY. Mr. President, does the Senator from Nebraska want to present an amendment?

Mr. NORRIS. I want to offer an amendment when the Senator from Kentucky has finished.

Mr. BARKLEY. I have said all that I care to say about this amendment. As I have already said, I think it will operate to retard the sale of farm products. I think it will operate to create undue fear on the part of the purchasers of farm products, and will work a real hardship to the farmers. For that reason I shall vote for its rejection, and I hope the Senate will not agree to it.

Mr. NORRIS. Mr. President, I desire to offer an amendment similar to the one that appears in this part of the bill. My own idea was that that amendment would apply here.

Of course, there is not anybody on the committee or elsewhere, in my judgment, who wants to make this bill ridiculous. We do not want to get a ridiculous proposition into the law. If a farmer makes some sausage and takes it to town and sells it, nobody wants to compel him to take out a license or to pay a tax. That would make the bill ridiculous. It is not conceived that the bill is going to be administered by anybody who is insane but that the administrator of the bill is in good faith going to try to carry out the real purpose and intention of it.

In the case of the particular amendment that is pending—the committee amendment known as "Part 3", headed "Cost of production"—objections have been made; and I concede that many of these objections would be valid if the idea were to be carried clear down to the point to which it has been carried in the discussion.

For instance, the Senator from Kentucky said yesterday that under this provision, if one farmer sold another one a plug of tobacco, he would have to take out a license. Nobody wants to do that. That would make the bill ridiculous. Nobody wants such a tax; and in order to avoid any possibility of any such ridiculous thing being done, I desire to offer an amendment, on page 26, after line 3, to the part of section 20 which provides for the issuing of the proclamation by the Secretary of Agriculture putting any basic farm product that he wants to under this particular title. I offer this amendment:

Provided, That the Secretary of Agriculture, in his proclamation, may make such limitations and exceptions as to sales of the basic product as he may deem advisable in order to properly carry out the provisions of this section.

I do not think there will be any possible objection to that amendment.

Mr. BARKLEY. Where does that come in?

Mr. NORRIS. That comes in on page 26, after line 3.

Mr. BARKLEY. While I am on my feet I will say to the Senator that I do not think there is any objection to that, but I do not think it cures the fundamental difficulty.

Mr. NORRIS. If it does not, let us get an amendment that will.

Mr. President, all that I am trying to do is this: Whether Senators favor this amendment or not is up to them, of course. They must decide that. I shall not find any fault no matter what the decision may be; but in good faith all of us, whether we favor the amendment or not, if we are going to have it, ought to get it in workable shape if possible; and, to my mind, many of the provisions of this bill never can be worked out by writing a statute in advance that will meet all the thousands of conditions that may arise.

Mr. SMITH. Mr. President, will the Senator read his proposed amendment again?

Mr. NORRIS. It reads as follows:

Provided, That the Secretary of Agriculture, in his proclamation, may make such limitations and exceptions as to sales of the basic product as he may deem advisable in order to properly carry out the provisions of this section.

If that is not broad enough, I should like to make it broader. I should not like, however, to put in an amendment here that would say that the Secretary may make an exception as to sausage, or he may make an exception as to this or that, because when he comes to administer the law he will find that he will be up against all kinds of little, petty, technical, and perhaps well-founded objections to a general law or a general statute, and he will have to make them. I think, under that provision, he could exempt anything he wanted to.

Mr. BARKLEY. Of course, he can do that by never issuing a proclamation at all on anything.

Mr. NORRIS. Oh, yes; he does not have to issue a proclamation. He does not have to put this part of the bill into effect at all. I should like to get it in such shape, however, that if, after administering this law, he thinks it is wise to try this provision, he will be able to do it, and do it in a sensible, workmanlike way.

The PRESIDING OFFICER. Will the Senator please send his amendment to the desk?

Mr. NORRIS. Yes.

Mr. LONG. Mr. President—

Mr. NORRIS. Does the Senator from Louisiana oppose the amendment?

Mr. LONG. No sir; I do not even know what the amendment is.

Mr. NORRIS. If there is no opposition to the amendment, I should like to have it acted upon.

Mr. LONG. I simply wanted to ask whether amendments can be offered at this time.

The PRESIDING OFFICER. The committee amendment is open to amendment.

Mr. NORRIS. I am going to offer another one right after this.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Nebraska.

The LEGISLATIVE CLERK. The Senator from Nebraska proposes, on page 26, line 3, after the word "Agriculture", to insert:

Provided, That the Secretary of Agriculture, in his proclamation, may make such exceptions and limitations as to sales of the basic product as he may deem advisable in order to properly carry out the provisions of this section.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Nebraska to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. NORRIS. Mr. President, I desire to offer another amendment, near the same provision, if I can retain the floor and do that.

A great deal of criticism has been made about the severity of the penalty. As I said before, I do not think any member of the committee desires to have any penalty that is unreasonably severe. It should be just as lenient as possible and still have enough effect and force so that the Secretary can properly enforce the law.

This penalty as written in the amendment is:

Any person violating the provisions of subsection (b)—

That is the one to which this amendment is offered—

Any person violating the provisions of subsection (b) shall, upon conviction thereof, be subject to a fine of not more than \$1,000, or imprisonment for not more than 1 year, or both, for each such violation.

On page 26, after the numerals "\$1,000", in line 6, I move to strike out the words "or imprisonment for not more than 1 year, or both, for each such violation", so that if the amendment is agreed to the penalty provided will be this: shall, upon conviction thereof, be subject to a fine of not more than \$1,000.

It might be 1 cent and all the way up to \$1,000.

Mr. FRAZIER. Mr. President, I desire to ask the Senator from Nebraska if the last clause, "for each such violation", should not be left in the bill?

Mr. NORRIS. I think it should. I thank the Senator for that suggestion.

The PRESIDING OFFICER. Will the Senator state his amendment as modified?

Mr. NORRIS. I correct it, Mr. President. I struck out a little too much, and I am glad the Senator from North Dakota called my attention to it.

On page 26, line 6, after the numerals "\$1,000", I move to strike out "or imprisonment for not more than 1 year, or both."

If the amendment is agreed to, the paragraph will then read as follows:

Any person violating the provisions of subsection (b) shall, upon conviction thereof, be subject to a fine of not more than \$1,000 for each such violation.

Mr. MCGILL. Mr. President—

Mr. NORRIS. I yield to the Senator from Kansas.

Mr. MCGILL. Just a moment. The way the Senator has drawn his amendment it would still leave the language so that failure to comply literally with the statute would constitute a criminal offense.

I am wondering if the Senator would not be willing to draft his amendment so as to strike out the words "upon conviction thereof" and the word "fine" and insert the word "penalty" instead of the word "fine" and leave the amount \$1,000—

Mr. NORRIS. I have no objection to that. I think that would be sufficiently severe to bring about the enforcement of the act.

Mr. MCGILL. And provide that it may be collected by appropriate action brought in the name of the Secretary of Agriculture.

Mr. NORRIS. If the Senator has that proposition in writing, I should be glad to have it submitted.

Mr. MCGILL. I have just drafted an amendment to that effect.

Mr. NORRIS. All right; I withdraw my amendment, and I am willing to accept that language. I think probably that is an improvement.

The PRESIDING OFFICER. If the Senator from Kansas will send forward his amendment, it will be stated by the clerk.

The LEGISLATIVE CLERK. The Senator from Kansas [Mr. MCGILL] proposes the following modification of the amendment of the Senator from Nebraska:

On page 26, line 5, after the comma following the word "shall", strike out the words "upon conviction thereof", including the comma following the word "thereof."

In the same line, after the word "a", strike out the word "fine" and insert in lieu thereof the word "penalty."

And in line 6, beginning with the word "or", strike out the remainder of the paragraph and insert the following:

"Which may be collected by appropriate action in a court of competent jurisdiction, brought in the name of the Secretary of Agriculture."

Mr. NORRIS. That is all right.

Mr. SMITH. Mr. President, now may the clerk read the paragraph as proposed to be amended?

The PRESIDING OFFICER. The clerk will read the paragraph as proposed to be amended. The Chair understands that the Senator from Nebraska accepts the suggestion of the Senator from Kansas.

Mr. NORRIS. Mr. President, I can read it. It would read like this, as I understand the amendment:

Any person violating the provisions of subsection (b) shall be subject to a penalty of not more than \$1,000 for each such violation—

And then follows the Senator's language, "to be collected in a suit by the Secretary of Agriculture" in substance. Is that right?

Mr. MCGILL. That is correct. That is my thought about the matter.

Mr. BARKLEY. Mr. President, I understand that under that language, then, if a man took 10 bushels of wheat into town and sold it for 30 cents a bushel, when the Secretary of Agriculture had proclaimed that it cost 31 cents, it would be possible to bring a suit for the 10 cents in a court of competent jurisdiction in the name of the Secretary of Agriculture.

Mr. MCGILL. It would be competent to bring a suit for \$1,000 in the name of the Secretary of Agriculture.

Mr. BARKLEY. I suppose he could bring a suit for a thousand dollars; but if it revolved around a transaction of only 10 bushels of wheat, does the Senator think that any court would render judgment against an innocent purchaser of that wheat when the farmer wanted to sell it to him?

Mr. NORRIS. Mr. President, if I still have the floor, I should like to answer the question of the Senator from Kentucky.

The PRESIDING OFFICER. The Senator from Nebraska has the floor.

Mr. NORRIS. If we are going to enact a law that is effective, there must be a penalty or a fine of some kind to enforce it. I do not know any other way to do it. This particular provision undertakes to do it, if the amendment is agreed to, by assessing a penalty upon the purchaser. That purchaser is going to be licensed by the Secretary of Agriculture.

Mr. BARKLEY. Not under this section.

Mr. NORRIS. I think so.

Mr. BARKLEY. No.

Mr. NORRIS. I have no doubt but that he will be licensed. I will admit, however, for the sake of the argument, that he will not be licensed.

Mr. BARKLEY. The fact is that if any person buys any portion of that which is estimated to be—

Mr. NORRIS. Not any person who buys; the penalty is on the purchaser. If we are going to enforce this law, we must punish the purchaser who does not comply with the law. There is no vengeance intended. Nobody wants to injure the purchaser. But there is no escape from it. If we are going to take the cost of production and compel the

purchaser—who I think would be licensed, but whether he is or not—to pay the fixed price for the part of the product that is consumed at home, we must provide a penalty for violation of the law.

Mr. SMITH. Mr. President, will the Senator allow me to call attention to the fact that the same condition exists under the allotment plan, for this reason: Whenever the tax is laid upon any commodity, the individual who sells is not liable, nor is the first purchaser liable, but the processor who accepts that product at any less than the parity price fixed is subject to penalty.

Mr. NORRIS. Exactly.

Mr. SMITH. It is just a little further removed, but is inevitable and inflexible.

Mr. NORRIS. If we are to succeed in increasing the price the farmer gets for one of the basic commodities which is to be named in the proclamation, there must be some penalty for a violation.

Mr. BANKHEAD. Mr. President, will the Senator yield to me at that point, for I think there must be some misunderstanding about that matter?

Mr. NORRIS. I yield.

Mr. BANKHEAD. If the other Senators are right, I am clearly wrong.

I understood the Senator from South Carolina to say, and the Senator from Nebraska to agree with him, that under the allotment plan if a processor pays less than a fixed price he violates the law. My understanding is that there is no restriction upon the processor as to the price he pays. He pays the world price. The application of the allotment plan is that the producer gets a certificate payable from the Treasury in the fall when he harvests his crop, and of course there is no limitation upon the processor, as I understand it. The Government collects the amount from the processor to pay the allotment fee.

Mr. NORRIS. Very well. What difference does it make? In that case the Government collects the processing tax, and if the man does not pay it he is penalized.

Mr. BANKHEAD. He has to pay the tax, of course.

Mr. NORRIS. That is the same everywhere. There must be some provision in the proposed law under which the people who disobey it will be penalized. It may be perfectly arbitrary. It seems to me that it does in some respects become arbitrary. But I do not know how there can be any escape from it. There must be a penalty.

Mr. REED. Mr. President, will the Senator yield?

Mr. NORRIS. Just let me talk a little. There is no inhibition against a man paying more than the tax if he wants to. If the price of wheat goes up above the basic cost-of-production price fixed by the Secretary of Agriculture, anybody can pay it if he wants to; there is no question about that. It can go as high as a man wants to pay for it. But he is required to pay as much as the basic price fixed by the Secretary of Agriculture.

How are we to provide that the farmer shall receive a price equal to the cost of production? We all talk about it; we all say yes, we want him to have the cost of production; but we are opposed to any law that will give it to him.

Suppose we passed a law and said, "The basic price will be that fixed by the Secretary of Agriculture, but nobody on earth need pay any attention to it if he does not want to." Immediately the world price would control, as it does now.

What is the good of a law? That is one of the things we want to decide. If we think it is wrong to fix the price, of course we do not want the law; but if it is right, how silly we would be to say that it can be disregarded with impunity. If the Secretary of Agriculture fixes the cost price, puts it in his proclamation, with such limitations and exceptions as he wants to put in, and then a purchaser does not pay that price, he ought to be penalized. He does not need to buy if he does not want to, he need not be a purchaser if he does not want to; but if he is in the business of buying, he is required, under the proposed law, to pay at least the cost-of-production price to the producer for that part of his product which the Secretary of Agriculture says is going to be consumed in the United States.

Mr. SMITH. Mr. President, may I ask the Senator a question?

Mr. NORRIS. I was first interrupted by the Senator from Pennsylvania, and I yield to him.

Mr. REED. Mr. President, I wanted to ask the Senator this question: Obviously by putting the penalty upon the purchaser we pass a law which may be violated by a hundred percent of the population of the United States, many of whom are extremely unlikely to have actual knowledge of the proclaimed cost of production. The seller is the person who gets all of the benefit from the law, and the sellers constitute only about 40 percent of the population. Why not put the penalty on the person who sells for less than the proclaimed price, instead of on the person who buys the article?

Mr. NORRIS. Very well; perhaps that is the way to handle it. If the Senator thinks that is the way to do it, let him offer an amendment and see how we will vote on it. I am opposed to it myself. That would bring in a lot of complications which we avoid by this provision. I think this is much simpler.

As far as anybody not knowing what the law is is concerned, in the first place, if we want to be technical, the Senator could have his attention called to the fact that ignorance of the law excuses no one. In the next place, there will be no ignorance of the law. When the proclamation is issued applying to wheat, for instance, there will not be a dealer or producer of wheat anywhere in the United States who will not know about it within 5 hours after the proclamation is issued.

Mr. REED. Mr. President, will the Senator yield again?

Mr. NORRIS. I yield.

Mr. REED. I am not going to offer the amendment until I have received the advice of the Senator about the justice of my suggestion. I was speaking of actual knowledge on the part of the population and not that knowledge which the law presumes. The law presumes that every poor mother in the slums knows the proclaimed cost of production of milk, probably stated in terms of so many cents per hundred pounds. But will the Senator tell me how in the world some poor mother in the slums, who buys a quart of milk at a cost which figures out a cent or a fraction of a cent less than the proclaimed cost, is going to have actual knowledge of it?

Mr. NORRIS. If I were Secretary of Agriculture, it would be a very simple thing. I would not issue any proclamation putting milk or any of its products under the provisions of this proposed law.

Mr. REED. Then why does not the Senator offer an amendment to exempt them?

Mr. NORRIS. The Senator is anticipating me. I have already voted for such an amendment. I voted in the committee to strike that provision out. I will vote here to strike it out. But I will vote for the bill even if it is not stricken out.

Mr. SMITH and Mr. BARKLEY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Nebraska yield; and if so, to whom?

Mr. NORRIS. Let me answer the Senator from Pennsylvania a little further.

In the next place, the attempt is, it seems to me, by these questions, by these technical suggestions, to defeat a bill whose aim is to give to the farmers of the country the cost of production of their products. There is an electric-light corporation in the city of Washington, there are railroads all over the country, and we have practically been legislating for years for all public-utility corporations, to give them cost of production, to give them a profit. In a gas case which came from Baltimore, almost within sight of this Capitol, the Supreme Court set aside a finding of a commission over in Maryland because they found they did not allow the corporation 8 percent profit on the value of their gas concern. Now we are called on here to legislate to give to the farmer just the cost of production, and all kinds of questions are submitted, and impossible conditions, which, under regulations we have a right to assume will be intelligent and fair, to be issued by the Secretary of Agriculture, never will

arise, never in God's kingdom. But we are trying to build them up here to find some technical reason how it is possible some time, some place, by somebody, in some way, somewhere, to get a technical case that is going to be impossible to administer.

I believe that if the Secretary of Agriculture applied this law to all the basic products mentioned in the bill, in many of the cases it would fail, because I honestly think it would be impossible to administer it. I am assuming that the Secretary of Agriculture is going to act in good faith.

I yield now to the Senator from South Carolina.

Mr. SMITH. Mr. President, I just wanted to ask a question of the Senator. If all of us are agreed that agricultural products are now notoriously below the cost of production, how did we find it out? How do we find out that they are below the cost of production if we have not the ability to find out the cost of production? That is one of the problems before us now. We all admit that the prices are below the cost of production. How much? How far? How do we arrive at that? How do we know it?

If it be true that we all know that the prices are below the cost of production, why can we not find out what is the cost of production? I should like to hear someone explain that. It is common knowledge among us all, so we say, that the prices are below the cost of production. Now, we say, let us bring them up to the cost of production. It is said, "You cannot do that. You do not know anything about that."

How do we know, then, even now, that the prices are below the cost of production? The farmers are so prosperous they are paying off all their mortgages, they are in the lap of luxury. Why should we disturb them? The absurd proposition we have here is that we cannot figure the cost of production, and at the same time all of us declare that the farmers are being ruined because everything is selling for a price below the cost of production.

Mr. BARKLEY. Mr. President, will the Senator from Nebraska yield?

Mr. NORRIS. I yield.

Mr. BARKLEY. The penalty provided applies whether it is in the nature of a criminal penalty, a fine or imprisonment, or a penalty to be imposed by a civil process. It applies to the purchaser as well as to the producer. It does not follow the commodity any further.

I want to submit this question to the Senator. We will say that the world price of wheat is 40 cents a bushel. The Secretary of Agriculture has issued a proclamation that the cost of producing American wheat is 50 cents a bushel. I come to the Senator to sell my wheat to him, and he is compelled to pay me 50 cents a bushel under this amendment. After he gets the wheat, what is going to happen to it? There is no penalty against the second purchaser of that wheat, there is no way we can compel anybody else to take it off his hands at above the market price, which, for all practical purposes, is the world price. Is the Senator expected, under this provision, just to hold that wheat? Is he expected to sell it for less than he paid me for it? What is going to happen to the second price after it has been purchased from the producer?

Mr. NORRIS. If I understand the Senator—and I am doubtful whether I do—he assumes that I am a purchaser of the wheat he produces, and I pay at least the price fixed by the Secretary of Agriculture as the cost of production. He asks me what I am going to do with it. Is that the question?

Mr. BARKLEY. Yes; I mean how can you compel the second purchaser who may want to take it from you to pay you what you have paid me, which is 10 cents above the world price?

Mr. NORRIS. All right; it cannot be done; but the second purchaser is going to buy that wheat; I will not sell it for less than it costs, and I will ask him for something in addition. Every other purchaser and dealer in wheat all over the United States will have to do the same thing; he will have to pay an increased price. If he sells it to the miller he will have to pay an increased price. In other

words, as far as that is concerned, there will be no change from present conditions. The elevator man buys the wheat and pays a dollar a bushel for it, let us say, and the world market for wheat is only 50 cents a bushel, but he pays a dollar. Is he going to sell that to the mill for less than a dollar? He can if he wants to. If he can get a dollar a bushel he may get it; he is under no restriction, under no restraint, under no law to act any differently in regard to that wheat than he now does.

Mr. BARKLEY. But suppose the millers have a supply on hand sufficient to last, we will say, for 6 months or a year; or, in the case of cotton, suppose there is enough cotton to last 2 years, does the Senator believe that this provision will work out so as to bring any sort of pressure on the purchaser of cotton or of wheat beyond the first purchaser to compel him to pay more than the market price for it?

Mr. NORRIS. If there was a supply of cotton to last 2 or 3 years, perhaps it would not work at all. If I were the Secretary of Agriculture, I would not try to employ it in the case of cotton, if that is the condition. What would happen? Why the man would not buy it. If I were a producer of wheat and the Senator had to pay me a certain price, and he thought he could not resell it for that much, he would not buy it.

Mr. BARKLEY. And if the buyer knew in advance that he could not resell the wheat at the price he paid, why would he buy it?

Mr. NORRIS. He would not.

Mr. BARKLEY. Then there cannot be any sale for it; that is the very point.

Mr. NORRIS. No one would have to buy it.

Mr. BARKLEY. I suppose it would pile up in the field and not be sold to anybody.

Mr. NORRIS. A price would be fixed, and no purchaser in the United States could buy wheat unless he paid that price. Unless somebody did buy it, there would not be a mill in operation; there would not be any wheat ground. If we are going to have that kind of condition, it will take a proclamation of God Almighty to enforce it.

Mr. BARKLEY. I am not so sure but that it would take more than that.

Mr. NORRIS. The truth is, if there is not a demand for wheat or for cotton, it will never be sold; it will not be sold now. This proposal does not change the law of supply and demand; it does not make any change in it.

The Senator assumes that if we raise the price of wheat to give the farmer, whom we all love with such ardent fervor, the cost of production of the food we eat, if we do such a radical thing as that, nobody will buy it. If they do not buy it, they will not eat bread. Suppose, instead of this happening, and a price being fixed by the Government, that God took a hand and only allowed the farmers to produce one third of the crop of wheat they now produce, would it be said, "Why, God has interfered; he has raised the price of wheat; we will not buy it; we will not use it?"

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. NORRIS. Yes; I yield again.

Mr. BARKLEY. Would this penalty apply to a case where a man swapped his wheat for goods? If he took a load of wheat to a store and got a stove valued at \$25, would that be regarded as a purchase within the meaning of this penalty? Frequently that happens. A man has no market for a commodity and takes it into town and exchanges it. Under the theory of barter and sale there is a value fixed upon the article.

Mr. NORRIS. That is not done where wheat is raised. Maybe it is done where they raise tobacco, but where wheat is raised they do not do that. If a farmer wants a stove and wishes to pay for it with wheat, he takes his wheat to the elevator, sells his wheat, and then buys the stove.

Mr. BARKLEY. Suppose there is no elevator and he wants to swap his wheat for a stove or suppose he wants to swap his wheat for a hog.

Mr. NORRIS. Let us take this case. Suppose there is not an elevator within a thousand miles of that farmer; where is that poor fellow going to sell his wheat?

Mr. BARKLEY. He sells it to a buyer at the railroad station who ships it 500 miles away to an elevator.

Mr. NORRIS. All right; the buyer at the railroad station would have to pay the price fixed. After the price is fixed there will not be any difference between the business operation then and that which takes place now—not a particle; there is not any new element in it. If by act of God the price of wheat went up on account of low production, then the man who bought the wheat would have to pay more for it; and he would be glad to get it, and pay more for it; he would pay the price.

Mr. REED. Mr. President—

Mr. NORRIS. I yield to the Senator from Pennsylvania.

Mr. REED. The Senator's illustration of a sale to a buyer at a railroad station leads me to suggest that this proposed act would be pretty nearly unenforceable; in such a case, at least, it would be perfectly easy to evade. The buyer would simply buy the wheat delivered at Chicago; he might pay only half the proclaimed cost of production, and yet would still be technically living up to the act, because the seller would have to pay the freight, and consequently that would bring the purchase price over the proclaimed cost. It is not going to help the farmer much if the law can be evaded as easily as that.

Mr. NORRIS. The Senator says it is not going to help the farmer, and then we talk about the various ways in which the farmer can avoid being helped. That is the argument. The farmer is going to evade this; he is going to sneak around in the dark and hunt a man who will buy his wheat and pay him less than the price. That is what Senators may think the farmer is going to do; but farmers are more intelligent than some Senators think they are. [Laughter.]

Mr. President, everywhere in this country there are elevators; there are dealers in wheat. They will be there when this bill is enacted and put into force; there will not then be any difference from the conditions which now prevail. The farmer will not be hunting around to find a man who will buy his wheat and pay less than the price fixed for cost of production.

Somebody ought to ask the question, "What are you going to do with the farmer who is insane?"—who has gone crazy, probably, because he has been toiling in the sun for years for you and me and has not gotten the cost of production, has not gotten the cost of the food that we are eating daily and are living on. Somebody ought to ask, "Well, what are you going to do with that kind of a farmer? When the Secretary fixes the price of wheat at a dollar, he is going to be sneaking around behind the elevator looking for some fellow who will buy his wheat for 80 cents." I just have to confess, Mr. President, that we cannot legislate for that kind of a farmer; we will just have to let him do it. Of course, if all the farmers are going to try to get as little as they can for their wheat or other products, they are not going to be helped by this bill, if they succeed, as they probably would, in violating the law.

Mr. WHEELER. Mr. President—

Mr. NORRIS. I yield.

Mr. WHEELER. I do not want the Senator to yield the floor, but merely wish to ask him a question. Under the allotment plan it is true that there are just as many chances for violation of the law on the part of the farmer as there are under the provision which the Senator was instrumental in having put in the bill.

Mr. NORRIS. I think there are more chances.

Mr. WHEELER. There are many more. For instance, take the farmer who was cited as an illustration a few moments ago, who takes his own pigs and sells the sausage, unless he is exempted from the law, unless the Secretary of Agriculture makes an exemption by rule of that farmer, the fellow who buys it has got to pay a tax on it.

Assuming, for instance, some farmer wanted to take a load of wheat to market to the miller or to the elevator, the

elevator man might say to him, "I cannot afford to pay the tax, but if, instead of selling me that wheat for 60 cents and making me pay the tax on it, I will give you 70 cents, provided you do not make me give you any receipt for it." Thus there is plenty of opportunity for fraud and corruption to creep in under the allotment plan.

So with reference to the provision with respect to cutting down acreage, the farmer may say that he only produced so many acres last year, and under the allotment plan we are going either to have to employ a lot of detectives and inspectors to go out and check up on the farmers or else we will have to take the farmer's word for it; we will have to take his affidavit that he only produced so much wheat the year previous in order to get the benefit of the allotment plan. So the truth about the matter is that the section the Senator offered in the committee as an amendment is much more simple in operation than is the allotment plan, and not only much more simple but, in my humble judgment, will work much more effectively with reference to wheat than will the allotment plan or the leasing plan.

I have serious doubt, as I stated this afternoon, whether or not the allotment plan will work successfully. I know that the leasing plan, so far as wheat is concerned, will not work in my section of the country, because there are thousands of acres at the present time that have not been cultivated; and if the Government leases them; all the farmers could go up on the side of the mountain and sow a lot of wheat, using land that they do not use for production at the present time. So it really seems to me that the very simplest, the very best, way of operating under this bill would be under the provision which was added by the committee, which is known as part 3.

Mr. NORRIS. Mr. President, I do not believe I have anything further to say excepting this: I am not opposing any of the other provisions of this bill. I have reached the time, even though I myself do not see how it can work, when any honest, sensible man thinks a certain plan will work, I am willing to let him try it; I am anxious that it succeed. I only want to give to the Secretary of Agriculture an opportunity to try a plan which, in my judgment, is much simpler and which will cost much less money, which will involve comparatively few employees to carry it out. I would put it up to him and let him use it. If he takes another plan and it works out, let him go on with it and make it work. I will not try to dig a hole under his feet or try to tell him about some crazy man who may evade the law in some place, or remind him of some technical objection. Let him go on and succeed; and if the plan will work, so much the better. If he finds it will not work, or if in the case of some commodities, as I believe he should reach the conclusion to begin with, that he ought to apply only the plan provided in part 3 of the bill, and he should find when he does, for instance, if he should apply it to wheat, that the wheat farmers of America are anxious to get a better price for their wheat, he will not have any difficulty; it will not be necessary for him to hire a whole lot of detectives to go around and trail the farmers of America so as to prevent them from going somewhere and secretly selling their wheat at less than the price he shall have fixed.

Mr. LONG. Mr. President, I suppose the Senate is nearing adjourning time for the afternoon. I wish to take up less than perhaps a minute's time in calling the attention of the Senate to the fact that the press of today informs us that Mr. Eugene Meyer has tendered his resignation as the head of the Federal Reserve Board. The press states that Mr. Meyer tendered his resignation some days ago, perhaps 10 days ago. I am sorry, Mr. President, that Mr. Meyer did not tender his resignation more than 10 days ago, and I am also sorry that it was not accepted before the 10 days which have intervened. I wish to call the attention of the Senate to my remarks on March 15 regarding this man and the necessity for his resignation and his elimination from the head of the financial structure of this Nation.

However, Mr. President, the resignation of Mr. Meyer is not going to be enough. Mr. Meyer is only one. Every crook and crevice of the financial structure is today in the

hands of Mr. Meyer and his kind. They have planted their eggs and hatched them out through a long period of years until there is only one cackle that can be heard and only one kind of philosophy in the financial administration. Unless they are whipped out of every crook and crevice in the department, they have the power to designate what is to be the policy in handling the financial affairs and the banking structure of this country.

I hope that the resignation of Meyer is not only going to be accepted almost immediately and someone appointed who will carry out the ideas and decrees of the Democratic platform and the promises of us Democrats, but that it is going to mean that the Treasury Department and the Comptroller's office and sundry other organizations of the Democratic administration will breathe into the Congress legislation for a sound expansion of our currency, as it is called, either through remonetization of silver or through some depreciation in the value of the gold dollar.

Now that the chairman of the committee has announced in favor of it and the report of the committee seems to show that it is a necessary part of the bill that there be something done, I intend at the proper time to reoffer, as an amendment to this bill, the provision which I offered to remonetize silver in the last Congress, hoping that the elimination of Mr. Meyer from the Federal Reserve Board will be followed by other administrative changes as will give the people a chance for sound expansion.

Mr. President, I do not think we are going to do a great deal of good for the farmer with this bill. As I understand the bill, as explained by the Senator from Alabama [Mr. BANKHEAD] and the Senator from Kentucky [Mr. BARKLEY], it means that we are going to have to compel the farmer and the farmer's wife and the farmer's boy to take cognizance and to have knowledge of every ruling that is made by the various and sundry agencies through the Secretary of Agriculture.

Mr. BANKHEAD. O Mr. President, I do not want to be misinterpreted or misrepresented. I do not think the Senator wants to do so, but I certainly made no statement from which that inference could properly be drawn.

Mr. LONG. I do not think the Senator correctly understood me. I said that I gathered an understanding of the bill, from listening to the speeches of the Senator from Alabama and the Senator from Kentucky, that the rulings which are going to be made—and I believe the Senator will understand me better now—in the enforcement and carrying out of the provisions of the bill through the Department over the signature of the Secretary of Agriculture, must be taken note of by the farmers and the farmers' wives and the farmers' boys who will come under the provisions of the bill.

Mr. BANKHEAD. Let us not have any misunderstanding. There is nothing in the bill compulsory on the farmer or any member of his family—not a line in it directly or by implication.

Mr. LONG. I understand we have one provision that the farmer may not sell for less than cost.

Mr. BANKHEAD. That does not apply to the farmer. It applies to the buyer.

Mr. LONG. Then we have a provision that there cannot be any conspiracy to violate the law; and therefore if a farmer who wants to sell agrees with a man who wants to buy upon some transaction not within the purview of the law, they can be tried as having engaged in a conspiracy to subvert the terms of the law. The Senator from Alabama, being a very able lawyer, is bound to know now, upon any reasonable reflection, that everyone comes within the purview of the law.

Mr. President, there was something the Senator from Kentucky [Mr. BARKLEY] brought up this afternoon in questioning the Senator from Nebraska [Mr. NORRIS] that we have not thought about at all. How are we going to keep the man who wants to sell his hog to the processor from agreeing that he is going to sell him for something less than the value that has been fixed by the Secretary of Agricul-

ture, including the tax? For instance, Mr. President, a friend of mine has a hog and he brings the hog to me to buy. I say, "All right, I will pay you 8 cents a pound. That is all I can afford to pay you today; but I am not going to give you a process certificate where I have to pay 12 more cents a pound to get the hog." I say to my friend who brings me the hog, "I am willing to give you 8 cents a pound to buy the 'dad-gummed' hog, provided you do not make me give you a process certificate so I will have to go back and pay 12 cents more for the hog to the Government. If you will sell me the hog for 8 cents or 10 cents, I will buy the hog; but I am not going to give you a process certificate so I will have to go back and mail the Government a check for 12 cents a pound more for the hog."

My friend says, "All right. I want to sell the hog. I have the hog and I have got to sell it because I do not need the hog and I do not want to feed the hog, but I want to get whatever money I can out of the hog." So in order to get rid of the hog he sells him to me for 8 or 10 cents a pound, which is 2 cents above the market price, but for which he should not sell the hog at all under the provisions of the bill. He does not require me to give him a process certificate in order that he can collect the other 10 cents out of the Government, because he wants to get rid of the hog and keep from feeding him that night. Then my friend and myself both are subject to be brought up for trial and sent to the penitentiary for 3 years because we have entered into a conspiracy to violate a ruling of the Secretary of Agriculture, because he got rid of the hog he did not want to feed and I got a hog I would only pay 10 cents to get.

That is the kind of bill we have here. If I have not stated it correctly I want to be corrected. That is the bill as I understand it. Angels of the Senate that we are, Mr. President, we are called upon to vote upon it. If in that way one little old hog is sold that cannot be sold in any other way to a man who is going to kill him and use him or sell him, then every man who engages in that nefarious undertaking is guilty of a penitentiary offense. If that is not what the bill provides I want the Senator from Alabama to correct me.

Mr. BANKHEAD. Does the Senator mean that is the provision under the amendment offered?

Mr. LONG. No; with the amendment stricken out.

Mr. BANKHEAD. No; there is no provision of that kind in the bill.

Mr. WHEELER. Mr. President, I beg to differ with the Senator from Alabama, and assure him that it is in the bill. He will have a ruling of the Department of Agriculture fixing the tax, and when the tax is fixed he will have to give a receipt for the hog. When the sells that hog, the Government will collect that tax under the rules and regulations of the Secretary of Agriculture.

Mr. BANKHEAD. From the processor.

Mr. WHEELER. But if the farmer helps the processor to get around that tax—

Mr. BANKHEAD. Oh, the Senator means if he enters into a conspiracy to evade the law? Why, of course, Mr. President, I misunderstood the Senator.

Mr. WHEELER. If he wants to sell that hog to the processor and the processor says, "I will give you 10 cents for the hog and I cannot take it unless you do that", then we will prevent the farmer from selling his hog or place him in the position of being charged with a conspiracy—just what the Senator said would happen under the other provision which we are discussing. There is no difference whatever with reference to the two provisions.

Mr. BANKHEAD. I am surprised to hear my friend argue that a mere refusal by a buyer to pay a big price constitutes a conspiracy between himself and the seller. I do not think the Senator would insist that the seller was entering into a conspiracy with the buyer under such circumstances.

Mr. WHEELER. It is perfectly apparent there may be innumerable cases where the man cannot sell his hog unless he makes some concession to the processor.

Mr. BANKHEAD. Mr. President, I think the Senator from Montana is friendly to the bill. I assume that he understands that one of the primary purposes is to prevent anyone from indulging in any such unfair practices.

Mr. WHEELER. I am friendly to the bill, but I am just as friendly to the other portions of the bill which the Senator wants to strike out because of the fact that the Department of Agriculture and a few professors up there, who sit around the office and never saw a bushel of wheat in their lives, see fit to send down to the Senate certain legislation and say to us, "Jump through the hoop and vote for this bill; do not cross a 't' or dot an 'i'", and ask that we shall give the Secretary of Agriculture the greatest amount of power that has ever been granted in any bill in the history of the United States, the power to fix rules and regulations of the kind we have been discussing. Then the Senator from Alabama contends, because of the fact that we want to have a provision that the Secretary of Agriculture may not want, that we are opposed to aiding the farmer. I am not going to be bound by any such statement as that.

Mr. BANKHEAD. The Senator from Alabama has never stated that he opposed the provision on the ground that the Secretary of Agriculture did not want it. I think the Senator from Montana knows that I opposed it from the very inception.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Louisiana yield to enable me to submit a request?

Mr. LONG. I yield.

Mr. ROBINSON of Arkansas. I ask unanimous consent that when the Senate concludes its labors today it take a recess until 12 o'clock noon tomorrow; that at not later than 12:30 o'clock tomorrow the Senate proceed to vote upon the pending amendment, and that beginning at 12 o'clock noon tomorrow no Senator shall speak more than once nor longer than 5 minutes on the pending amendment.

Mr. LONG. Mr. President, I cannot consent to that. My friend the Senator from Alabama [Mr. BLACK] has requested that he be called in case a motion should be made to recess, because he wishes to move an adjournment so that the 30-hour bill may be taken up in the morning hour tomorrow.

Mr. SMITH. Mr. President, the Senator from Louisiana certainly misunderstood the Senator from Alabama.

Mr. LONG. Possibly I did.

Mr. SMITH. He passed here a little while ago and said that he would offer no obstruction with reference to the pending measure, but that he would let its consideration proceed without any further effort to inject his matter, hoping that we would get through with the bill by tomorrow night.

Mr. LONG. Then I withdraw my objection.

Mr. SMITH. I want to join with the leader on our side in trying to get some agreement whereby we can finish consideration of the bill tomorrow if it be possible to do so. I hope we will reach an agreement before we take a recess by which we can at least hope that we see the end of the discussion on the bill.

Mr. LONG. I withdraw my objection to the request of the Senator from Arkansas.

Mr. NORRIS. Mr. President, I want to make a suggestion about the unanimous-consent agreement. As I heard it, the limitation would apply only to the pending amendment?

Mr. ROBINSON of Arkansas. That is true.

Mr. NORRIS. The pending amendment is the amendment offered by the Senator from Ohio to the committee amendment. I do not believe the Senator from Arkansas understood that.

Mr. ROBINSON of Arkansas. I did not understand that that is the case. I thank the Senator from Nebraska. My request, then, should apply to the pending committee amendment and all amendments that may be pending or offered thereto.

Mr. McNARY. I understand the purpose of the proposed agreement is to have a vote on the pending amendment, and all amendments pending thereto, at 1 o'clock tomorrow.

Mr. ROBINSON of Arkansas. I said 12:30.

Mr. McNARY. Twelve-thirty o'clock, with a limitation of 10 minutes on debate.

Mr. ROBINSON of Arkansas. Five minutes.

Mr. McNARY. The Senator from Arkansas knows that I want to cooperate in every way in an early disposition of the unfinished business; but this afternoon the hour is late, and a number of Senators are necessarily absent on account of business matters, and I do not think 30 minutes tomorrow on this amendment will be sufficient time for its discussion. Secondly, I do not think 5 minutes would be ample time on other amendments that may be offered, or that are pending, or on the bill.

I suggest to the Senator that we recess now until 12 o'clock tomorrow, or adjourn.

Mr. ROBINSON of Arkansas. Mr. President, unless we can get an agreement or a vote on this amendment, I shall not consent to a recess.

Mr. McNARY. Mr. President, I have not yet concluded, please.

I shall object to a unanimous-consent agreement now to vote on the pending amendment tomorrow at 12:30. If this matter comes up in an orderly manner, after sufficient debate, and when the subject has been exhausted tomorrow, I shall be glad to cooperate with the Senator on some proposal that might limit debate on future amendments; but this afternoon, at half past 5, with a number of Senators absent, and an important amendment before the Senate that involves the tax that will be laid on processors, the sums of money to be received from the processors, to limit debate tomorrow to 30 minutes would be unjust and unfair to those absent; and they are absent on both sides of the Chamber. If the Senator will withhold his proposition tonight, and move to recess or adjourn at this time—

Mr. ROBINSON of Arkansas. No, Mr. President.

Mr. McNARY. Very well; just a moment—and then, tomorrow, if he will offer a proposal after we dispose of this amendment, following legitimate discussion, I shall cooperate upon a reasonable unanimous-consent agreement.

Mr. ROBINSON of Arkansas. Mr. President, of course everyone understands that a single objection will prevent the agreement that I have asked; but we have consumed the entire day in the discussion of this one amendment, and all Senators have been present except 2 or 3. There are only 2 or 3 Senators absent. We shall never find a day when that number will not be found absent. Senators have remained here, and we have discussed this amendment all day. Now the Senator from Oregon says that he is unwilling to enter into any agreement to vote on this amendment. In that view of the matter, I think we ought to proceed and vote this afternoon.

Mr. LONG. I think so.

Mr. McNARY. Very well; I have no objection to that. I said that rather than enter into a unanimous-consent agreement I would prefer to vote this afternoon.

Mr. ROBINSON of Arkansas. Very well.

Mr. McNARY. I do not want to assume the responsibility of acquiescing in an agreement that I think is unfair to the absent Senators, and I shall not do so.

Mr. ROBINSON of Arkansas. Mr. President, the absent Senators have had no opportunity at all to discuss the amendment. We shall always have absentees. We shall never find the time when every Member of the Senate is present.

In view of the fact that we have taken this entire day in the discussion of one committee amendment, I feel justified in pressing for action; and I am going to withdraw my request and ask the Senate to proceed with its business.

Mr. SMITH. Mr. President, I think the Senate has discussed this amendment sufficiently for each and every one of us to understand it. I hope we may be able to reach a vote before we take a recess this afternoon, and get this amendment at least out of the way, so that the balance of the bill may be amended by Members on the floor who have amendments to offer.

The PRESIDING OFFICER. Does the Chair understand that the Senator from Oregon has interposed an objection?

Mr. McNARY. I have; yes.

Mr. ROBINSON of Arkansas. Mr. President, I should not object to extending the time until not later than 1 o'clock, and expanding the limitation of speeches to 10 minutes, but surely, in view of the fact that we have taken a whole day to consider this one amendment, the Senator from Oregon cannot object to that.

Mr. COUZENS. Mr. President, will the Senator yield to me? Does the Senator mean to include the mortgage amendment?

Mr. ROBINSON of Arkansas. No, no; I have reference only to the committee amendment, known as part 3, and the amendments that are pending and may be offered to that. It is the cost-of-production proposal in the bill.

Mr. COUZENS. Then no limit is proposed on debate with respect to the mortgage section?

Mr. ROBINSON of Arkansas. No; I have not asked for a limitation on the bill generally.

Mr. McNARY. Mr. President, I had thought of making a few remarks on the subject. They probably will not require more than 15 minutes. I should be willing to consent, so far as I am personally concerned, to a unanimous-consent agreement to vote not later than 2 o'clock tomorrow on the pending amendment, speeches being limited to 15 minutes.

Mr. ROBINSON of Arkansas. Mr. President, I will modify the request so that not later than 2 o'clock tomorrow the Senate will proceed to vote on the committee amendment and all amendments that may be pending or that may be offered thereto without further debate.

Mr. LONG. That is, all that may be offered to the committee amendment that is pending?

Mr. ROBINSON of Arkansas. Yes; and that upon reconvening tomorrow no Senator shall speak more than once or longer than 15 minutes on the amendment or on any amendment thereto.

The PRESIDING OFFICER. Is there objection?

Mr. McNARY. Mr. President, just a moment. That refers specifically to part 3?

Mr. ROBINSON of Arkansas. Yes; that is all.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the unanimous-consent agreement is entered into.

Mr. LONG. Mr. President, I just want to wind up this matter and have one understanding. I was in the midst of trying to get one point settled.

The PRESIDING OFFICER. Does the Senator from Arkansas yield?

Mr. ROBINSON of Arkansas. The Senator from Louisiana had the floor. I did not wish to take him off the floor. He very kindly yielded to me to submit the request, and he still has the floor.

Mr. LONG. I do not want to delay adjourning, but I do not want to speak again on this amendment tomorrow.

While the Senator from Alabama and the Senator from Kentucky are here, I do not want anyone to have any doubt about what he is voting for on this bill. Mr. President, title 3 is the most understandable part that there is in the bill. It is the least drastic part that there is in the bill; but I admit that however much less drastic it may be than the balance of this bill it is drastic itself. The sad part of the matter, however, is that every housewife, every farm boy, and every farmer must take note of every ruling that is made by the Secretary of Agriculture. Otherwise, regardless of what farm sale may take place between the producer and the processor that does not conform with the processing tax, he will be guilty of a conspiracy and subject to being put in jail by the court for 3 years. There may be 100 rulings of the Secretary or there may be 500 or 5,000 rulings, but they will have to take cognizance of them all.

Mr. ROBINSON of Arkansas. Mr. President, I present two amendments and ask to have them printed and lie on the table.

The PRESIDING OFFICER. That order will be made.

Mr. BARBOUR. Mr. President, before the recess is taken I should like to ask a question, if I may, of the Senator from South Carolina [Mr. SMITH]. It will take me only a moment.

The word "consumer" appears in section 16, page 21, line 20, referring to floor stocks. That section provides for a tax on inventories. I should like to address to the Senator from South Carolina, as chairman of the committee, a question to elicit his definition of whom the consumer might be.

For instance, take the manufacturer of a shoe who buys thread for the purpose of constructing a shoe. Is the manufacturer the consumer of the thread, or is the purchaser of the shoe, who wears the shoe, the consumer of the thread? I should think the bill undoubtedly means that the manufacturer who purchases the thread is the consumer.

Mr. SMITH. Mr. President, the very same question came up in reference to automobile tires, as to the processor who processed the material that went into the casing, and whether that tax would be carried on to the automobile-tire man when he processed his tire. The committee were of opinion that it is the man who processes the fabric in the first instance who is the consumer, and the bill so declares.

Mr. BARBOUR. In other words, the manufacturer in the case I speak of and in like cases, in the opinion of the Senator, the chairman of the committee, would be the consumer as the word is used in that section?

Mr. SMITH. Yes.

Mr. BARBOUR. I thank the Senator.

Mr. FRAZIER. I offer a proposed amendment to the pending amendment, part 3, and ask to have it printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. CLARK. I ask that sundry amendments which I intend to offer to this bill may be printed and lie on the table.

The PRESIDING OFFICER. That order will be made.

Mr. MCGILL. I send forward an amendment, which I ask to have printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of executive business.

The PRESIDING OFFICER. The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and the Senate proceeded to the consideration of executive business in open session.

MINISTER TO DENMARK—RUTH BRYAN OWEN

The PRESIDING OFFICER. The Chair lays before the Senate a message from the President of the United States, which will be read.

The Chief Clerk read as follows:

THE WHITE HOUSE, April 12, 1933.

To the Senate of the United States:

I nominate Ruth Bryan Owen, of Florida, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Denmark and Iceland.

FRANKLIN D. ROOSEVELT.

Mr. FLETCHER. I ask unanimous consent for the immediate confirmation of this nomination.

The PRESIDING OFFICER. The Senator from Florida asks unanimous consent for the immediate confirmation of this nomination. Is there objection? The Chair hears none, and the nomination is confirmed.

Mr. FLETCHER. I ask unanimous consent that the President may be notified.

The PRESIDING OFFICER. Without objection, the President will be notified.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER laid before the Senate several messages from the President of the United States submitting nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

THE CALENDAR

The PRESIDING OFFICER. Reports of committees are in order.

If there be no reports of committees, the calendar is in order.

THE JUDICIARY

The Chief Clerk read the nomination of Joseph W. Woodrough, of Nebraska, to be judge, eighth circuit, vice Arba S. Van Valkenburgh, retired.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

IN THE ARMY

The Chief Clerk proceeded to read the nominations of sundry officers in the Army.

Mr. REED. I ask unanimous consent that the Army nominations may be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations will be confirmed en bloc; and, without objection, the President will be notified.

That completes the calendar.

Mr. ROBINSON of Arkansas. I ask that the President be notified of the confirmation of Judge Woodrough. There has been a vacancy in that district for some time.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the President will be notified.

The Senate resumed legislative session.

RECESS

Mr. SMITH. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. The question is on the motion of the Senator from South Carolina.

The motion was agreed to; and (at 5 o'clock and 44 minutes p.m.) the Senate took a recess until tomorrow, Thursday, April 13, 1933, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 12 (legislative day of Apr. 11), 1933

AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY

James Michael Curley, of Massachusetts, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Poland.

ENVOY EXTRAORDINARY AND MINISTER PLENIPOTENTIARY

Ruth Bryan Owen, of Florida, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Denmark and Iceland.

COMMISSIONER OF FISH AND FISHERIES

Frank T. Bell, of Washington, to be Commissioner of Fish and Fisheries, vice Henry O'Malley.

PROMOTIONS IN THE NAVY

MARINE CORPS

First Lt. Edgar G. Kirkpatrick to be a captain in the Marine Corps from the 8th day of April 1933.

Second Lt. Bernard H. Kirk to be a first lieutenant in the Marine Corps from the 8th day of April 1933.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 12 (legislative day of Apr. 11), 1933

ENVOY EXTRAORDINARY AND MINISTER PLENIPOTENTIARY

Ruth Bryan Owen to be Envoy Extraordinary and Minister Plenipotentiary to Denmark and Iceland.

JUDGE OF THE EIGHTH CIRCUIT

Joseph W. Woodrough to be judge of the eighth circuit.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

Second Lt. Donald Ralph Neil, to the Quartermaster Corps.

Second Lt. Robert Edwin Cron, Jr., to the Quartermaster Corps.

Second Lt. Harry Winston Candler, to the Cavalry.

First Lt. Robert Francis Carter, to the Quartermaster Corps.

PROMOTIONS IN THE REGULAR ARMY

Raymond Eugene Ingalls to be colonel, Dental Corps.

Joseph Richard Koch to be chaplain with the rank of captain.

John Thomas Harris to be lieutenant colonel, Quartermaster Corps.

Paul Hancock Brown to be major, Infantry.

William Stuart Eley to be major, Infantry.

Joseph Pescia Sullivan to be major, Quartermaster Corps.

Irving Compton to be captain, Infantry.

Rudolph William Broedlow to be captain, Infantry.

Albert Edmund Rothermich to be captain, Infantry.

Jeremiah Paul Holland to be first lieutenant, Field Artillery.

John Mills Sterling to be first lieutenant, Air Corps.

Edward James Francis Glavin to be first lieutenant, Infantry.

Mark Kincaid Lewis, Jr., to be first lieutenant, Air Corps.

MEDICAL CORPS

To be captains

William A. Dains Woolgar. Arthur Herman Corliss.

Joseph Steinberg. Jonathan Milton Rigdon.

Karl Rosenius Lundeborg.

HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 12, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Thou who art all in all and from whom cometh the highest good in all the world, we praise Thee that the joy of our Lord is forever and ever. We need so many things to walk worthily with Thee. Heavenly Father, gather up our tendencies, our failures, and our weaknesses; harmonize them with Thy holy will and blend them in a volume of spiritual melody; steal into our hearts like the rhythm of unearthly peace. We pray that high hopes, peace, and contentment may hang over our country like a summer sun out of which come all life and blessing. We beseech Thee, dear Lord, to hear us in our prayer. Amen.

The Journal of the proceedings of yesterday was read and approved.

GEORGE ROGERS CLARK SESQUICENTENNIAL COMMISSION

The SPEAKER. A vacancy having been created upon the George Rogers Clark Sesquicentennial Commission by the death of the Honorable Will R. Wood, of Indiana, the Chair appoints to fill said vacancy the Honorable ROBERT LUCE, Representative from the State of Massachusetts.

PRESENTATION OF PICTURE TO THOMAS H. CULLEN

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOYLAN. Mr. Speaker, it is on very rare occasions that the Congress is accorded any commendation by the public for meritorious work well done. There are exceptional cases, however, and it is my pleasure this morning to recite one.

On yesterday the employees of the Brooklyn Navy Yard, in New York, and the Allied Metal Trade Industries, through Representative DELANEY, presented to our distinguished assistant leader, Hon. THOMAS H. CULLEN, the dean of the New York delegation, a magnificent oil painting of our distinguished President, Franklin Delano Roosevelt, in recognition of the services rendered by him in behalf of the employees of the Brooklyn Navy Yard and of the other navy yards of the country. So it is a pleasant interlude in the terrific grind here to pause and take this opportunity of recording